Austria .. Sch. 22	Indonesia .. Rp 3100	Philippines .. Pes. 20
Bahrain .. Din.0.350	Israel .... NS 3 50	Portugal .. Esc 100
Belgium BFr.48	Italy ...... L 1600	S. Arabia .. Rls 6 00
Canada .... C$1 00	Japan Y600	Singapore . S$ 4.10
Cyprus .... C£0.75	Jordan Fils.500	Spain .... Pta 125
Denmark . DKr.9.00	Kuwait Fils.500	Sri Lanka ... Rup 30
Egypt ..... E£2.25	Lebanon . £1 50.00	Sweden .. SKr 8.00
Finland .. Fmk 7.00	Luxembourg . LFr.48	Switzerland SFr 2.20
France .. FFr 6 50	Malaysia .. Rm 4.25	Taiwan ... NT $85
Germany . DM 2.20	Mexico .. Pes. 300	Tunisia .. Din 0.800
Greece ..... Dr 80	Morocco .. Dh 6.00	Turkey .... L 500
Hong Kong HK$ 12	Netherlands . Fl 3.00	U.A.E. .... Dh 6 50
India .... Rup. 15	Norway .. Nkr. 7.00	U.S.A. $1.00

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Harley-Davidson ready to go it alone, Page 22

World news

German farmers protest EEC plan

An estimated 20,000 protesting West German farmers swarmed through Bonn to draw up an appropriately confrontational backcloth to the EEC Commission's two days of meetings there.

At a rally in the main Bonn square, Constantin Heereman, the aristocratic president of the German farmers' union, attacked the Commission's latest proposals for farm price cuts as "unjust, anti-social and stupid."

He called on the German Government, representing the strongest economy in the Community "to make its weight felt at last" in Brussels to stop erosion of German farmers' incomes. Page 2

Agents swapped

West Germany swapped Lothar Erwin Lutze, a former Bonn Defence Ministry official serving a 12-year jail term for spying for East Berlin, in exchange for four unnamed West German agents being held in East Germany. Page 2

Rotterdam strikes

Labour unrest in the Dutch port of Rotterdam resumed, with about 140 stevedores on strike in the grain sector, Europe's largest, and the threat of strikes looming in the container cargo sector.

Manila offensive

Philippine Government warplanes pounded a communist rebel camp with 75 lb bombs and ground troops attacked two other rebel strongholds in a major offensive north of Manila, the military said.

Surinam poll date

Surinam's military leader, Desi Bouterse, announced that his country would hold general elections on November 25, four months earlier than expected, the Dutch news agency ANP said.

Executive released

Kidnappers in Manila released Nobuyuki Wakaoji, a top Japanese businessman whose captivity for over four months has embarrassed the Philippine Government, harming diplomatic and economic relations between the two countries.

Extradition demand

President Reagan was urged by US legislators to demand the extradition from West Germany of Mohammed Hamadei, an Arab charged with the murder of Robert Stethem, a US Navy diver, during a 1985 airliner hijack in Beirut.

Jewish emigration

Jewish emigration from the Soviet Union showed a sudden spurt last month, rising to 470 compared with 146 in February, according to the Geneva-based Intergovernmental Committee for Migration. Page 24

Greek land bill

Greece announced legislation for the state takeover of 130,000 hectares of church land as thousands of priests and lay supporters jammed Athens in protest.

Tories embarrassed

The British Government confronted a deeply embarrassing and damaging admission from a Conservative MP that he made multiple applications for shares in British Telecom when it was privatised in November 1984. Page 6

UK rejects hanging

British Parliament rejected an amendment to the Government's criminal justice bill which sought to reintroduce the death penalty for murderers.

Business summary

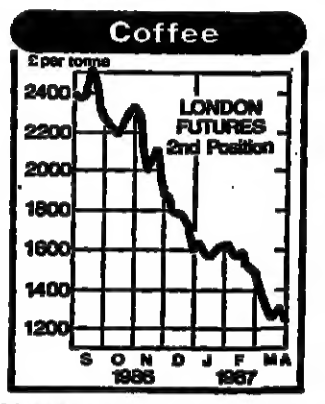
Boliden buys units from Allis Chalmers

BOLIDEN, Swedish mining, metals and chemicals group, has agreed to buy part of Allis Chalmers, troubled US manufacturing group, for about SKr 600m ($95m). Page 25

TOKYO: Institutional and individual investors stepped up buying after Wall Street's Tuesday rally and the dip in the value of the yen, pushing equity prices sharply higher. The Nikkei average rose 437.52 to 22,040.18. Page 48

LONDON: Investors backed away from equities as they awaited Wall Street's response to the rise in US prime lending rates. Gilts eased in unsteady trade. The FT-SE 100 index lost 24.5 to 1,973.1, the FT Ordinary index fell 19.1 to 1,558.0. Page 48

WALL STREET: The Dow Jones industrial average closed up 11.36 at 2,316.05. Page 48



COFFEE prices fell to their lowest level in five years as investors gave up hope that export quotes might be imposed on the market before autumn. The second position in coffee on the London Commodity Exchange closed at £1,244, down £38 a tonne. Commodities, Page 36

GOLD fell $0.25 to $419.25 on the London bullion market. In Zurich it also fell to $419.15 ($419.50). Page 40

DOLLAR closed in New York at DM 1.8315; SFr 1.5325; FFr 6.0935; and Y147.25. It rose in London to Y146.75 (Y146.00); to DM 1.8205 (DM 1.8065); to FFr 6.0575 (FFr 6.0125); and to SFr 1.5215 (SFr 1.5095). On Bank of England figures the dollar's exchange rate index rose 0.4 to 101.8. Page 41

STERLING closed in New York at $1.5910. It remained unchanged in London at $1.6050; but rose to DM 2.9225 (DM 2.90); to FFr 9.7225 (FFr 9.65); to SFr 2.4425 (SFr 2.4225); and to Y235.50 (Y234.25). The pound's exchange rate index rose 0.2 to 71.8. Page 41

NEW ZEALAND'S Equiticorp investment company has snapped up almost a quarter of Guinness Peat, the UK merchant bank, following a month-long auction by a UK institution. Page 6

FRENCH Prime Minister Jacques Chirac said a decision would be made in two or three weeks on the future of CGCT, the country's second largest telecommunications group. Siemens and a consortium of AT&T and Philips are competing for control of the group.

FINSIDER, Italian state-owned holding company for the steel industry, is expected to reveal a higher than expected loss for 1986. Page 26

RONALD PERELMAN, US corporate raider, has launched a $720m cash offer for the remainder of Revlon, cosmetics group controlled by his privately-owned investment firm, MacAndrews & Forbes. Page 28

DEMOCRAT controlled House Budget Committee approved a plan to cut the US federal budget deficit by $38.15bn in fiscal year 1988, starting on October 1. The proposal, which includes $21.85bn in new taxes, is an important step towards Congress drawing up an alternative budget to the one President Reagan unveiled last January.

Brazil loan rating lowered by US bank regulators

BY STEWART FLEMING, US EDITOR, IN WASHINGTON

US BANK regulators have lowered their rating of American banks' Brazilian loans, reclassifying the debt as "substandard." The move follows Brazil's decision in February to suspend interest payments on its medium and long term debt.

Banking sources in New York yesterday, confirmed that regulators had this week issued official notification of their decision to reclassify the debt, which is mainly to the Brazilian public sector.

They pointed out, however, that the lower rating on the debt is a warning signal from the bank regulators and does not require the banks to take any action such as putting aside additional reserves.

The shift underscores the growing tensions surrounding the Third World debt situation ahead of next week's meetings of the interim and development committees of the International Monetary Fund and the World Bank. The decision by some major US banks to raise their prime lending rates from 7½ per cent to 7¾ per cent, which some Wall Street analysts fear could signal an end to the protracted decline in US interest rates since the beginning of the decade, will also be greeted with dismay by Third World debtors.

Although most Third World loans are tied not to the prime but to market rates which have been creeping up for some months now, the psychological impact of a reversal in so visibile a lending rate as the prime is likely to make it harder for debtor countries to come to terms with reluctant bank lenders.

The Institute for International Finance, a Washington-based association representing 180 major international banks, yesterday released a letter to the chairmen of the IMF's interim and development committees in which it warns that the financial situation of Third World debtors is "precarious and showing signs of strain" and pressing for an urgent search for solutions.

Separately yesterday Citibank announced that the bank advisory committee dealing with Brazil will meet Mr Francisco Gros, head of the country's central bank, on April 10 in New York. Some bankers see the meeting as indicative of a more flexible stance by Brazil.

The decision to downgrade Brazilian debt for bank regulatory purposes was taken by the Interagency Country Valuation Review Committee, a body which comprises representatives of the major US bank regulators, the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corporation.

Most country loans are categorised by the committee as strong, moderately strong, weak or "other transfer risk problems." Loans to a country which, like Brazil, is not meeting its external obligations, has not rescheduled its loans or is not implementing an economic adjustment programme, are likely to be "classified," first as "sub-standard." Although this does not require banks to put aside reserves, it is seen as a warning of possible trouble ahead. The classification which bankers say has now been applied to Brazil's debt was applied to Argentina in 1984.

If a country's position deteriorates further, its debt will be downgraded again to "value-impaired" which requires banks to set up a special reserve, leading eventually to the debt being written off.

Banks resume short-term credit, Page 4

Cable and Wireless wins role in Malaysian venture

BY DAVID THOMAS IN LONDON

CABLE AND WIRELESS, the UK company which is at the centre of the row over Japan's reluctance to open up its telecommunications market to foreign companies, is to help install and run a $100m submarine optical fibre telecommunications system in Malaysia.

The Malaysian venture could form part of a fibre optic web linking key economies in the fast growing Pacific rim region which would provide an alternative focus for Cable and Wireless in the area if it is squeezed out of a significant role in the Japanese market.

At present, the Far East has no submarine optical fibre cables, which allow the transmission of greater volumes of voice and data traffic of better quality than present methods.

However, Cable and Wireless is part of a consortium intending to build a fibre optic link between Hong Kong, South Korea and Japan. It is also helping to link China and Hong Kong by fibre optic cable.

Discussions are also understood to be under way about running fibre optic cables between several other countries in the region, including the Philippines, Hong Kong, Singapore and Brunei.

Cable and Wireless believes its chances of winning a share in the business flowing from these discussions will be strengthened by the Malaysian deal, one of the most significant it has made since it was privatised.

Under the terms of the memorandum of understanding due to be signed in Kuala Lumpur today, a joint venture company will be established to install, maintain and operate the 1500 km Malaysian system.

Cable and Wireless will own 49 per cent of the company with 51 per cent held by Syarikat Telekom Malaysia (STM), the state-owned Malaysian telecommunications company. The new joint venture will be the vehicle for other cable projects originating and terminating in Malaysia.

The system, which will link the Malaysian peninsula with the eastern Malaysian state of Sabah and Sarawak, is scheduled to start operating in 1989. It will carry both domestic and international traffic.

Sir Eric Sharp, Cable and Wireless chairman, said in Kuala Lumpur: "The cable could make Malaysia a major telecommunications centre in the region. STM is examining the possibilities of cooperation with their ASEAN neighbours."

Tan Sri Rashdan, STM chairman, added: "Though originally planned as a domestic link STM decided to internationalise the use of the system after recognising the advantages and benefits of optical fibre technology."

The joint venture will invite international tenders for the contracts involved in building the cable.

A decision is also expected soon by the Federal Communications Commission, the US regulatory body, about the American end of the first US-Japan fibre optic cable. Pacific Telecom, a large US telephone company, has applied to build the US end with Cable and Wireless, which would hold a 20 per cent stake.

Background, Page 4

Italian poll likely as Craxi is asked to seek confidence vote

BY ALAN FRIEDMAN IN ROME

PRESIDENT Francesco Cossiga of Italy last night asked outgoing Prime Minister Bettino Craxi to seek a vote of confidence in parliament. The surprise move seems likely to lead to early general elections following a parliamentary debate.

The decision reflects President Cossiga's belief that there are not sufficient grounds for the formation of a new governing five-party coalition in Rome. This is despite the slightly optimistic report on Tuesday from Ms Nilde Iotti, the Communist president of the Camera or lower house of parliament, that some prospects existed for a five-party coalition.

The decision to send Mr Craxi before parliament was communicated to the outgoing prime minister first in a telephone call from Mr Cossiga and then by personal letter delivered by the president's secretary, who flew from Rome to Rimini where Mr Craxi was presiding over his Socialist party's congress.

It represents a strict interpretation of Italy's constitution. President Cossiga's aides explained last night that the decision means the president felt he was unable to find grounds for naming a new prime minister designate to try and form a government.

In technical terms President Cossiga last night rejected the resignation handed in four weeks ago by Mr Craxi, which in any case was accepted "with reserve." The effort by Mr Giulio Andreotti, the Christian Democrat politician, to form a new government failed last week when he was unable to accommodate the Socialist party's insistence on holding referendums on nuclear energy and judicial reform. Ms Iotti was last Friday given an "exploratory mandate" to mediate in the crisis and reported back to Mr Cossiga on Tuesday evening.

While anything might happen in parliament (and Socialist supporters at the Rimini congress were clearly pleased at the decision) it is considered likely that the "parliamentarisation" of the crisis, as it was being referred to in Rome last night, could end with a failure to sustain a governing majority.

Thatcher's Soviet visit seen as personal triumph

By Peter Riddell in Tbilisi

MRS Margaret Thatcher's five-day visit to the Soviet Union has undoubtedly been a personal triumph. The extent of her coverage on British television and in the press has alone more than justified the trip for her.

Yesterday in Tbilisi, Georgia, in the country which once dubbed her "the Iron Lady," she was applauded during a walkabout by crowds standing several deep along the main streets of the city. Some people even kissed her hands, others waved and clapped. She was treated virtually like royalty, reflecting the general Soviet interest in someone as well known as she is.

To bystanders Mrs Thatcher said her only word of Georgian, Gamarogobat, which means both hello and victory.

Most striking has been the remarkable personal relationship she appears to have built up with Mr Mikhail Gorbachev, the Soviet leader. There have been touches of the great Garbo film Ninotchka, where capitalist meets communist, although without the same romantic ending.

The impression has been conveyed of an experienced international leader on friendly terms with Mr Gorbachev. The British side has emphasised the length of the talks, more than 11 hours in all, and the degree to which they overran. Mrs Thatcher herself said she "could not remember ever having spent so much time in discussions with another world leader."

The implication is obvious and the comparison with the trip to Washington by Mr Neil Kinnock, the Labour Party opposition leader, is brutally stark.

Yet, at the same time, Mrs Thatcher has not compromised or "gone soft." Her language has been typically blunt, and in both her speech at Monday's Kremlin banquet and in a 50 minute late-night television interview which must have startled Soviet viewers with its frankness, she stressed the Soviet superiority in missiles.

Mrs Thatcher has always said she was not negotiating.

Sir Geoffrey Howe will have little new next week to tell other European foreign ministers and Mr George Shultz, the US Secretary of State in Washington before the latter's visit to Moscow in mid-April.

There has, admittedly, been some refinement of the understanding of the Soviet position on short-range

Continued on Page 24

Editorial comment, Page 22
All smiles as Thatcher returns, Page 2

Lawson spells out exchange rate targets

BY TERRY DODSWORTH AND PHILIP STEPHENS IN LONDON

MR NIGEL LAWSON, the British Chancellor of the exchequer, yesterday gave specific targets for sterling's exchange rate against the D-Mark and the dollar for the first time.

Identifying the West German currency as the "most important single rate we want to concentrate on," he said he was aiming to keep the D-Mark at "around 2.90" to the pound and the dollar at $1.60. This would be achieved "by an appropriate mixture of interest rates and intervention in the foreign exchange markets."

Mr Lawson's remarks came at yesterday's meeting of the National Economic Development Council, where he gave an upbeat assessment of the UK economy to leaders of the Trades Union Congress (TUC) and the Confederation of British Industry, the employers' organisation.

Over the period since February's Paris meeting of the leading industrialised nations on the stabilisation of exchange rates, Mr Lawson has edged towards an overt declaration that the UK has established a target range for the pound.

Earlier this week, he strongly implied that the six nations at the Paris meeting – the US, UK, West Germany, France, Japan and Canada – had agreed on bands of fluctuation for their currencies.

He added, however, that since Britain was not in a formal exchange rate mechanism such as the European Monetary System it did not make practical sense to publish the bands in which it was operating.

Until yesterday, Mr Lawson had spoken in terms of stabilising the pound's value against a basket of currencies as measured by the sterling index.

Mr Lawson's comments yesterday were not in his prepared text, but came in response to questions. They followed a strong attack by the TUC delegation, led by Mr Norman Willis, general secretary, on the basis for the Chancellor's optimistic assessment of the economy.

The TUC contends that the Government's figures on UK economic growth are skewed by the choice of favourable base years, and yesterday Mr Willis presented the meeting with statistics showing a much lower rate of expansion. He argued that since 1979 the UK growth rate had been less than 2 per cent a year, that the country had experienced a worse unemployment record than other Organisation for Economic Co-operation and Development countries.

Baker hopes rates rise is temporary

BY OUR FOREIGN AND FINANCIAL STAFF

MR JAMES BAKER, the US Treasury Secretary, said yesterday that he hoped the increase in banks' prime lending rates would prove to be a "temporary blip upward."

He told a congressional hearing that he did not expect it to have a significant effect on the economy.

He pointed out that the prime rate had risen temporarily during its decline from more than 21 per cent in 1980 to its low for the decade of 7.5 per cent.

Many economists on Wall Street see the rise in the prime as the beginning of a widely expected upswing in interest rates expected later in the year.

A continued rise would be politically damaging to President Ronald Reagan who has taken credit for helping to bring rates down.

Mr Baker yesterday sought to calm the financial markets. He said the US decision to impose retaliatory tariffs on Japanese electronic imports did not herald a trade war.

He compared the US action with its earlier imposition of retaliatory tariffs against the European Community – a dispute subsequently settled.

Despite Mr Baker's comments, most other major US banks yesterday followed Citibank's lead and raised their prime rates by a quarter of a percentage point to 7.75 per cent.

However, after the initial stock and bond market reaction US markets yesterday appeared calmer, suggesting they also felt the rise in borrowing costs might be temporary.

Overnight in the Far East, US government bond prices fell sharply for a time. When Wall Street opened yesterday the rebound con-

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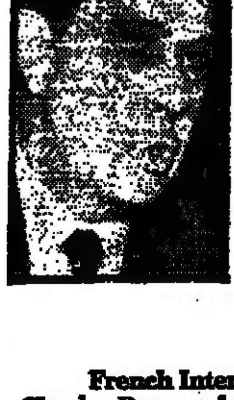

CASINO RIVALRIES SHAKE THE RIVIERA

French Interior Minister Charles Pasqua: facing gang warfare in Nice, Page 24

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Bundesbank plays down money supply

BY DAVID MARSH IN BONN AND ANDREW FISHER IN FRANKFURT

THE West German Bundesbank has downgraded the importance of its money supply target for this year in reaction to sluggish domestic growth prospects and uncertainties on the foreign exchange markets.

Rather than sticking dogmatically to its target for money supply, which is growing above the 3 per cent to 6 per cent target set for the year, the West German central bank is instead giving priority to trying to stabilise the exchange rate, according to senior officials.

The Bundesbank is particularly concerned about the effects on export-orientated West German industry of any further rise in the D-Mark. The dollar has fallen towards the DM 1.80 level in recent days, although yesterday it was fixed in Frankfurt higher at DM 1.8188 against DM 1.8051 on Tuesday.

The implicit decision to override the money supply target would give the Bundesbank room to cut interest rates later this year should this become necessary to steady the economy and to help dampen any appreciation pressure on the D Mark.

The Bundesbank, however, sees no reason to relax its credit policy. It has already cut discount rate by 0.5 per cent to 3 per cent in January.

The Bundesbank has not given up hope that this year's money supply target can be met. But the switch to lower its priority will be welcomed

The Bundesbank has not given up hope that the money supply target can be met

by commercial banks which have no interest in seeing any credit squeeze later this year. Mr Walter Seipp, chairman of Commerzbank, the country's third largest bank, said yesterday he saw no reason for the Bundesbank to start putting the brakes on money supply, especially in view of the "dent" in economic growth in the first quarter.

He also called for a further drop in short-term money market interest rates through the Bundesbank's open market operations.

The central bank was criticised by some West German monetarist economists in January for the interest rate cut. Although this is a minority view among economists, they said this would add to inflationary dangers.

According to Dr Peter Trapp of the Kiel economic forecasting institute, by far the most monetarist of West Germany's five top independent economic research bodies: "With the discount rate decision, the Bundesbank abandoned its money supply target for 1987."

The Bundesbank believes that West Germany will register little or no economic growth in the first quarter this year, partly because of severe winter weather and partly because of the effect on export-orientated industry of the rise of the D-Mark.

However, with domestic West German demand still relatively buoyant, the Bundesbank is hoping for recovery at about a 2 per cent to 3 per cent annual rate during the rest of the year.

All the other four main West German economic forecasting institutes are believed to have lowered their projections for real West German growth this year to between 1 per cent and 1.5 per cent compared with the confident prediction last autumn of 3 per cent. Kiel still believes that 3 per cent growth is possible as a result of the monetary impulse which is being given to the economy.

The West German Government is trying to maintain an

The tax easing has been criticised in some US quarters as insufficient

optimistic tone. But the uncertain growth prospects as well as pressure from abroad have forced Mr Gerhard Stoltenberg, the Finance Minister, to increase already programmed tax cuts next year by DM 5bn.

The extra tax cuts, in addition to nearly DM 10bn of reductions already due to come into effect in January 1988, were discussed by the Bonn cabinet at its weekly meeting yesterday.

The tax easing has been criticised in some quarters of the US Administration as not going far enough. Some within the Bundesbank believe that the 1988 tax cuts should have been brought forward to this year.

On the other hand, there is still some doubt whether the Government will be able to push the additional tax cuts for 1988 through the Upper House of parliament (Bundesrat). This represents the West German federal states (Laender), which are unwilling to see a further fall in their tax receipts next year.

The Bundesbank already last year overshot its target for growth of its so-called money stock, measuring cash in circulation and the minimum reserves of the banking system, which is used as the best available indicator of liquidity.

This grew at about 7.75 per cent last year compared with the 3.5 per cent to 5.5 per cent target.

The money stock so far this year has been rising at a seasonally adjusted annualised rate of about 7.5 per cent. The Bundesbank hopes, however, that slackening economic growth and a shift of investors funds into longer term instruments will bring down expansion later this year.

German farmers in chorus of disapproval at EEC

BY DAVID MARSH

An estimated 20,000 protesting West German farmers yesterday swarmed through Bonn, creating appropriately confrontational backcloth to the EEC Commission's two days of meetings in the city.

At a rally in the main square, Mr Constantin Heereman, the aristocratic president of the German farmers' union, attacked the EEC Commission's latest proposals for farm price cuts as "unjust, anti-social and stupid."

He called on the German Government, representing the strongest economy in the Community, "to make its weight felt at last" in Brussels to stop erosion of West German farmers' incomes.

Just to back up the message, farmers brandished placards bracketing the EEC alternatively as an almshouse and a propagator of the agricultural equivalent of AIDS.

The 17 members of the commission, who were holding an extraordinary session in Bonn yesterday ahead of a meeting with the West German Government today, were not on hand to witness the demonstrations.

They are taking refuge a few miles further up the Rhine amid the more peaceful, but somewhat morbid, surroundings of the Hotel Dreesen in Bad Godesberg.

The hotel, where one of the thre abortive Hitler-Chamberlain meetings was held in 1938 to try to thrash out peace, was chosen as just the place for lunch.

As a plush fleet of polished Mercedes and BMWs later carried the commissioners back to Bonn, led by a police motorcycle escort through the quiet streets of Bad Godesberg, one onlooker remarked that he could see why the EEC was facing a financial crisis.

The commission's main showdown will come today when the blocking tactics over agricultural reform of Mr Ignaz Kiechle, the West German Farm Minisetr, are certain to be high on the agenda.

Yesterday's farmers' demonstartion, well behaved as it was, will make it difficult for the Bonn Government to take anything but a tough line. It could also produce some rouh comments from Mr Jacques Delors, the EEC Commission president, when he addresses the press this afternoon at the end of the meeting.

All smiles as Thatcher visit ends

By Peter Riddell, Political Editor in Tbilisi

MRS Margaret Thatcher, the British Prime Minister, yesterday ended her five-day visit to the Soviet Union expressing confidence in, and exchanging compliments with, Mr Mikhail Gorbachev.

At a farewell ceremony at the Kremlin, Mr Gorbachev said he was "very willing and happy" to co-operate with her. Mrs Thatcher agreed and suggested they should keep in touch.

This followed a brief meeting with three prominent "refuseniks," including Mr Iosif Begun, a prominent Soviet Jew who has three times been exiled and imprisoned.

Later, Mrs Thatcher ended the Soviet part of her trip 1,200 miles to the south in Tbilisi, the capital of Georgia. At a banquet she expressed solidarity with the Soviet reform movement by quoting from its favourite film, Repentance, which was recently shown in Moscow. "I have seen for myself that the road does indeed lead to the Church," she said.

Mrs Thatcher told the Georgian council of ministers that her visit had "opened a new chapter in British/Soviet relations" and she would pursue it in the interests of increasing friendship and understanding. This is likely to be one of the themes of her statement to the Commons this afternoon.

Large and enthusiastic crowds lined the Tbilisi streets, particularly around the former seminary where Stalin trained. During an impromptu walkabout several people kissed her hands, others waved and clapped.

She repeated her only word of Georgian, *gamarojobat*, which means both hello and victory.

It was like a royal tour, reflecting the apparently considerable interest among the Soviet public who seemed to know her name well.

On her visit to Tbilisi she saw the sights of the beautiful city, went to a gala performance at the state opera and ballet and attended another banquet, one of five main meals her party faced during a 20-hour day.

British officials regard the visit as a great success, largely because of the relationship built with Mr Gorbachev, as well as the favourable media coverage in Britain.

In farewell television interviews Mrs Thatcher said she believed Mr Gorbachev would be more liberal and that "if he agrees personally with me that he will do certain things, he would not tell me if he wasn't going to do them."

When one interviewer pointed out that some Soviet sources were calling her the Blue-eyed Lady, rather than her earlier soubriquet of the Iron Lady, she said "the two are compatible. You need to be firm about some things when you are arguing and you need to keep with you just a touch of iron."

At her breakfast meeting with Mr Begun and the other "refuseniks" she presented him with an award on behalf of the all-party parliamentary committee for Soviet Jewry. In return she received a Star of David.

Chirac urges Reagan to retain ABM treaty limit on research

BY LIONEL BARBER IN WASHINGTON

Mr Jacques Chirac

MR JACQUES Chirac, the French Prime Minister, yesterday urged President Reagan not to abandon the 1972 ABM treaty which limits research on anti missile defence systems such as the American SDI programme.

While expressing broad support for a superpower agreement to remove medium range missiles in Europe, Mr Chirac conveyed some doubts about SDI.

He understood the US desire to pursue research into anti missile defence systems and supported French companies' involvement but added: "We hope that the ABM treaty will be respected. We think it is an important thing."

The Reagan Administration is reviewing the ABM treaty to see whether it can adopt a new "broad interpretation" which would allow full-scale testing and subsequent deployment.

Mr Chirac was speaking at a press conference in Washington yesterday towards the end of talks with President Reagan and a wide range of senior administration officials.

Despite some differences, he made it clear that France wanted to see a strong president and he deliberately steered clear of criticism on the Iran arms scandal.

The gaullist premier told reporters that the bulk of his discussions concerned arms control. He backed the US desire for a INF medium range missile pact with the Soviet Union, provided that the current Soviet superiority in short range missiles was taken into account.

"Mrs Thatcher is quite right" (on that subject), he said, referring to the British premier's views conveyed to Soviet leader Mr Gorbachev in Moscow this week.

Turning to economic and financial issues, Mr Chirac said that he had expressed concern about the world debt crisis

Yugoslavia accord with Paris Club

By George Graham in Paris

YUGOSLAVIA has reached agreement with its creditors on the second phase of a debt rescheduling agreement, to cover repayments due for the next year.

The agreement reached with the Paris Club of creditor nations extends for a year the rescheduling of repayments of about 85 per cent of the principle due on Yugoslavia's official government-to-government debts.

The Yugoslav economy has deteriorated over the past year. Growth rates were satisfactory last year, but inflation accelerated again and reached a rate of nearly 100 per cent. The country's trade balance also worsened during the year.

Mr Svetozar Rikanovic, Yugoslavia's Finance Minister, said in Belgrade yesterday that the refinancing covered $475m of debt due between May 16 this year and May 31 1988. Yugoslavia has to repay $5.5bn in 1987.

The country's creditors have been cautious about committing themselves to further assistance to the country, and the World Bank recently refused to grant a second structural adjustment loan.

Pope defends Vatican bank chief

BY ALAN FRIEDMAN

POPE John Paul II has defended Archbishop Paul Marcinkus, the Vatican bank chief who is being sought by Italian police on charges of having been an accessory to fraud in the 1982 collapse of Banco Ambrosiano.

The Pope, speaking aboard his flight from Rome to Montevideo, where he was stopping before his visit to Chile, called the indictment of Archbishop Marcinkus a "singular and brutal attack."

In remarks which were reported by the Ansa news agency and informally confirmed by sources inside the Vatican, the Pope said: "We are taking the matter seriously. We are convinced that you cannot attack a person in such a singular and brutal way. The matter will be examined by our competent authorities."

Pope John Paul added that Cardinal Agostino Casaroli, the Vatican Secretary of State, would be responsible for examining the Marcinkus case. "He is more aware of the details. He will explain the matter."

A request for the extradition of Archbishop Marcinkus is being transmitted from Italian authorities to the Holy See, demanding that the chairman of the Istituto per le Opere di Religione (IOR), or Vatican Bank, be handed over for trial in Milan.

The Ambrosiano trial is expected to start towards the end of this year and judges involved in the case have said that the Vatican bank chief will be tried in abstentia if the Holy See refuses to extradite him.

Solidarity calls for strike over pay

POLISH Solidarity leaders have called for "decisive strike action" by workers in support of pay claims to counter government-imposed price increases, Reuter reports from Warsaw.

A communique issued by the clandestine Provisional Co-ordinating Commission (TKK) also urged the indexation of wages to ensure that they kept pace with increases in the cost of living.

The statement said an emergency meeting of the TKK was also attended by unidentified members of the Solidarity Provisional Council which operates openly and includes former leaders of the banned free trade union but not its chairman, Mr Lech Walesa.

The strike call followed a 9.6 per cent increase in food prices at the weekend and a 10 per cent increase in the cost of meat yesterday. Energy and fuel prices have gone up by between 25 and 50 per cent.

Turkey economy grows by 8%

By David Barchard in Ankara

TURKEY'S economy grew by 8 per cent last year according to figures released yesterday by the State Institute of Statistics.

The figure, 3 per cent up on the 1985 growth rate, is the most rapid expansion of the Turkish economy for over a decade, though it was achieved at the price of a worsening in Turkey's overall balance of payments situation and the government would probably have been content with a figure closer to 5 per cent.

EEC airlines urge Delors to reconsider move on noise limits

BY WILLIAM DAWKINS IN BRUSSELS

THE EEC's national airlines yesterday called on Mr Jacques Delors, President of the European Commission, to reconsider a draft regulation that would set tough limits on aircraft noise.

The Association of European Airlines (AEA), which represents 21 national operators said in a letter to Mr Delors that the draft directive would force them prematurely to take some of their safest aircraft out of service and that it would drive up operating costs, without operating any obvious environmental benefit.

Mr Stanley Clinton Davis, the European Commissioner responsible for the environment, is pushing the proposal, which has evoked strong concern from Mr Peter Sutherland the Irish competition Commissioner.

Mr Sutherland is understood to fear that the measure might hit the smallest airlines hardest, hindering his campaign to liberalise European air transport and reduce the big national operators' control over the industry. The two Commissioners staff are due to meet on Friday to try to sink their differences. Failing which, the proposal would go before a full Commission meeting within the next few weeks. Once adopted by the Commission, it would then have to be agreed by member states before taking effect.

The draft envisages that no EEC airline would be allowed to buy after 1990 new aircraft conforming to chapter two of the International Civil Aviation Organisation's rules. The bulk of the existing European fleet is in that category, though the draft would allow chapter two aircraft now in use to continue to fly in the EEC for up to 22 years after being brought into service.

EEC airlines would have to change their fleets to quieter aircraft designated under chapter three of the organisation's rules, such as the new Airbus range, though some existing chapter two aircraft could be upgraded by having their engines changed.

The proposal is likely to spark off a battle between the less prosperous airlines that want to keep aircraft in service for as long as possible and aircraft manufacturers which want to introduce new and more protable machines. New Chapter Euro aircraft cost as little as $6bn (£3.7bn), while their chapter three equivalents cost around $20m.

The AEA said yesterday it was not against the proposal to enforce the introduction of chapter three aircraft, but it did oppose the compulsory retirement of chapter two aircraft.

European drug price proposals under fire

BY WILLIAM DAWKINS

THE EEC is trying too hard to break down barriers to free trade in medicines at the expense of ensuring that drugs are safe and cheap, European consumers claimed yesterday.

A report by BEUC, the union of European consumers' associations, accuses the European Commission of being more concerned about establishing mutual recogniation across the Community of different member states' medicines than clamping down on the export of dangerous drugs.

It also criticises commission proposals now being considered by the Council of Ministers that would bring EEC drugs prices closer together. This would lead to a doubling of prices for medicines in Spain, with an 80 per cent increase in Portugal and 78 per cent in France, says BEUC.

The price scheme "should be reconsidered to bring price control and social security systems closer together, rather than to challenge efforts to keep down the drugs bill," says the report.

It points out that existing price differences for medicines across the Community are far wider than for any other consumer products.

Drugs bought in West Germany, for instance, cost on average two-and-a-half times as much as in Spain, though some individual medicines can be 10 times more costly, estimates the study.

However, these disparities are largely hidden from patients by differences in national health reimbursement systems.

This ironically means that Spanish patients end up paying more for their cheap drugs than their German counterparts.

A Common Market in Medicines. BEUC, 29a Rue Royale, bte 3, B-1000, Brussels, Belgium.

Brussels agrees nuclear accidents data system

BY TIM DICKSON IN BRUSSELS

WITH THE first anniversary of the Chernobyl nuclear disaster just over three weeks away, the European Commission yesterday agreed detailed plans for a "rapid information system" to deal with similar catastrophes.

The proposed system would be triggered either when a nuclear accident occurred or simply when abnormal levels of radioactivity were detected. It would be wider in scope and more precise in application than the policy set out in the Convention drawn up by the International Atomic Energy Agency.

Officials in Brussels believe the Community's response to increasing levels of radioactivity following Chernobyl demonstrated that arrangements for communicating data were inadequate. The new system will require governments to inform the Commission and all member states of the details of any accident, and to provide data on meteorological conditions, radioactivity levels in foodstuffs, protective measures and predictions

Labour unrest resumes in port of Rotterdam

BY LAURA RAUN IN AMSTERDAM

LABOUR UNREST in the port of Rotterdam resumed yesterday with about 140 stevedores on strike in the grain sector, Europe's largest grain entrepot, and the threat of strikes looming in the container cargo sector.

Members of the FNV Transport Union were protesting against two grain companies' demands for more flexible working conditions and refusal of wage rises and shorter working hours.

The SVZ port industries association insists that more flexibility is needed in job functions and shift hours and that wage increases and worktime cuts must be implemented more slowly.

Rotterdam is the world's biggest port, handling 257m tonnes of cargo last year, but was hit recently by a damaging two-month strike in the general cargo sector.

Lutze handed over in spy swap

A SPY who stole major Nato secrets while working for the West German defence ministry was handed over to East Germany yesterday as part of an East-West spy swap, AP reports from Frankfurt.

Security sources confirmed that Mr Lothar-Erwin Lutze, jailed since his 1979 conviction for passing sensitive Nato files to the East Bloc in the 1970's, was released to East Germany at the Herleshausen border crossing.

Mr Lutze and three less known East German spies imprisoned in West Germany were swapped back to the East for four West German intelligence agents held in East Germany, according to the Federal sources.

The sources, speaking on the condition they were not further identified, were confirming earlier television and newspaper reports. Mr Friedhelm Ost, the West German Government's chief spokesman, refused comment on the matter.

The security sources, confirming a report by the Bonn-based daily Die Welt, said Mr Lutze and two other convicted East Bloc spies, Mr Otto-Friedrich Schweikhardt and Mr Alois Tomaschek, were handed over to East German custody at Herleshausen.

Another unidentified communist agent jailed in West Berlin was to be freed to the East Germans tonight, the sources said.

In exchange, West Germany obtained the release of four intelligence agents – three men and a woman – who had been serving long prison terms in East Germany, the sources said.

The identities of the four were not disclosed, but the sources said two were agents of West Germany's counter-intelligence agency and two of the foreign intelligence service.

By far the most important agent in the deal was Mr Lutze, who gave away key Nato security secrets of the 1970's before being arrested in 1976. He was sentenced in 1979 to 12 years in prison.

Gelli ordered to stand trial over explosions

A GROUP of 27 alleged right-wing extremists, including the fugitive Mr Licio Gelli, were ordered yesterday to stand trial in connection with a 9-year series of railway explosions in central Italy, Reuter reports from Florence.

Investigating magistrate Rosario Minna said Mr Gelli, grand master of the illegal P2 masonic lodge, was the financier of the neo-fascist group, providing money to buy arms and explosives.

The investigation concerns explosions and bomb attacks on trains and railway lines in the Tuscany region between 1974 and 1983.

On one occasion a length of track was blown up in the path of an oncoming train, which managed to stop in time to avoid a disaster.

Mr Gelli, who is thought to be sheltering in South America after escaping from a Swiss jail in 1983, is also wanted in Italy to stand trial for the 1980 bombing at Bologna railway station – Europe's worst post-war guerrilla attack – and for questioning over the crash of the Banco Ambrosiano in 1982.

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Hugh Carnegy reports on the new Irish government's attempts to bring the economy under control

Fianna Fail discovers virtues of fiscal rectitude

SPARE A THOUGHT for Mr John Bruton, Ireland's Finance Minister until last February's general election.

His cost-cutting budget proposals in January to sort out the country's public finances precipitated the fall of the then Fine Gael-Labour coalition and a resounding election defeat for Fine Gael.

A minority government was formed under Mr Charles Haughey by Fianna Fail, which had ridiculed Fine Gael for its obsession with "fiscal rectitude" and concentrated instead on the need to go for growth.

Yet Mr Ray MacSharry, the Fianna Fail Finance Minister, delivered in his budget on Tuesday the largest dose of fiscal rectitude visited on the Irish people for many a year, setting spending and borrowing targets even lower than those which cost Mr Bruton and his colleagues the election.

No wonder Mr Bruton marvelled in parliament at the miraculous conversion of his opponents.

One of the interesting features of all this is that Fine Gael, while expressing some scepticism at the ability of Fianna Fail to meet the targets it has set, will not oppose the budget. This will allow the new administration to get on unhindered with the job of righting the economy—at least for the time being.

That job will not be easy, although the consensus in Dublin's financial markets yesterday was that Mr MacSharry had pointed the ship in the right direction.

Total savings in current and capital spending of approaching I£570m (£528m) are designed to bring significant reductions in the current budget deficit and public sector borrowing requirement to I£1.2bn and I£2.1bn respectively (gross national product is projected at I£17.3bn this year).

Mr MacSharry said the ratio of total national debt to GNP, which stood at 148 per cent last year, should be at about the same level this year as a result.

The Government is hoping that this determination to get on top of the debt problem at last will instill much-needed confidence back into the markets, reverse a serious outflow of capital and lead to a fall in Ireland's very steep interest rates, currently running at about five times the level of inflation of 3.4 per cent.

Fianna Fail is relying on this, along with favourable external factors such as stronger sterling, to stimulate growth to offset the deflationary effect of the budget.

Market sources yesterday doubted that growth, which has been static for several years, would be much above the 1 per cent assumed in the budget. This will inevitably mean more increases in unemployment, already at more than 19 per cent of the growing workforce, despite new Jobsearch measures in the budget.

But there was general support for Mr MacSharry and an expectation of a fall in interest rates within a few months, despite some worry that the public sector borrowing requirement target was ambitious.

More difficult than winning the support of the markets will be persuading the still powerful public service unions to accept a pay and jobs freeze. That battle will commence soon and be fought hard over the Summer, especially as pay-as-you-earn taxpayers continue to bear the brunt of the tough fiscal policies.

Probably the most controversial of Mr MacSharry's budget measures was an immediate ban imposed on duty free allowances for people spending less than 48 hours outside the state.

This is aimed at stopping a haemorrhage of consumer spending across the border in Northern Ireland and across the Irish Sea which has hit manufacturers, traders and government revenues in the south.

There were claims, especially from retailers in the north who stand to lose a trade estimated in several hundreds of millions pounds a year, that the move contravenes European Community trade rules. Mr MacSharry said he was certain the move was legal. The EEC Commission is considering a submission from Dublin and its response is eagerly awaited

Palestinian factions consider reconciliation

By Andrew Gowers, Middle East Editor

THE PACE of reconciliation efforts between the squabbling factions of the Palestinian Liberation Organisation is quickening, under the active tutelage of Algeria, Libya and the Soviet Union.

But such moves may well complicate already fraught efforts to break the deadlock in negotiations over the Middle East conflict since hardliners within the organisation are trying to impose tough conditions for any rapprochement with the mainstream Fatah group

Representatives of radical and moderate groups within the PLO have been meeting intensively in the past couple of weeks in a number of Middle Eastern cities including Tunis and Tripoli, the Libyan capital, before a planned meeting of the Palestine National Council (PNC), in effect the organisation's parliament, in Algiers starting on April 20.

This much-postponed session would be the PNC's first since its 1985 meeting in Amman, which was seen at the time as underlining a new spirit of co-operation between the PLO and Jordan.

Apart from the mainstream Fatah group and allied factions, the Damascus-based Democratic Front for the Liberation of Palestine has agreed to attend, and its fellow-radicals the Popular Front for the Liberation of Palestine have participated in preparatory meetings, though it is not clear whether they will attend. But experienced observers of Palestinian affairs believe that the factions are seriously attempting to set aside their differences.

The reconciliation moves are being spurred by two main factors:

● The so-called "camps war," in which Syrian-backed forces have been besieging Palestinian camps in Beirut, has alarmed previously divided Palestinian groups—including some of those based in Damascus—into talking about co-operation again. The Syrian Government of President Hafez al-Assad has been implacably opposed to the PLO leadership under Mr Arafat since it expelled him in 1983.

● Relations between Mr Arafat and King Hussein of Jordan are at a new low, following the King's decision to break relations with him just over a year ago. Efforts by Saudi Arabia to foster a rapprochement between the PLO and Jordan have apparently failed.

The fact that a date has been scheduled for a PNC meeting is an achievement of sorts, but the continuing deep divisions between radicals and moderates within the PLO were underlined towards the end of last week, when a gathering of "rejectionist" groups issued a surprisingly uncompromising statement in Tripoli.

This called for the establishment of a collective PLO leadership and the formal abrogation of the Amman agreement between Mr Arafat and King Hussein, and rejected United Nations resolutions 242 and 338, which implicitly recognise Israel's right to exist and which were the cornerstones of Jordan's efforts to co-operate with the PLO.

War and economic decay slow rebuilding of Beira

Victor Mallet reports on plans to develop the Mozambican port

IN FEW PLACES are the strange realities of southern Africa more glaring than in Beira, the dilapidated Mozambican port which has become the focus of international efforts to end the region's dependence on trade through South Africa.

Anticipating sanctions against South Africa by the black frontline states, or counter-sanctions by South Africa itself, the world is pumping in hundreds of millions of dollars to rehabilitate Mozambique's ports and their road and rail networks to the hinterland, all of them devastated by years of war and neglect.

Neighbouring Zimbabwe and Tanzania are providing more than 6,000 troops to help fight guerrillas of the Mozambique National Resistance (MNR), a shadowy organisation once—and probably still—supported by South Africa.

Yet in Beira, this port in the Marxist state of Mozambique which could soon be luring traffic away from Durban and East London because of its proximity to Zimbabwe and Malawi and its political credentials, South Africa never seems far away.

South African cars are among the few vehicles that ply the streets. South African rands, not the currencies of the frontline state, are welcomed by the official foreign exchange store (and by black marketeers) in payment for goods such as South African cornflakes or tinned peaches. Glossy colour pictures of ships in Cape Town's Table Bay adorn the walls of the Beira port authority's offices. Much of the freight handled at the port is packed in South African containers and forwarded by South African shipping agents.

The black states of southern Africa have become increasingly lukewarm about sanctions in recent months. They are not finding it as easy as they had hoped to loosen their commercial ties with the regional superpower.

An ambitious \$660m (£410m), 10-year development plan for Beira and its associated transport routes has attracted an enthusiastic response from Western donors, with nearly \$300m pledged so far. The routes from Malawi to the northern port of Nacala and from Zimbabwe down the Limpopo railway to Maputo are also being restored, although both have been closed to through traffic by sabotage.

But the extent of Mozambique's economic decay and the disruption caused by the war have made the resurrection of the Mozambican transport network a slow and difficult task.

In southern Africa, Zimbabwean Prime Minister Robert *Mugabe has led the campaign* for economic sanctions against the Pretoria Government despite his country's dependence on South African ports, roads and railways for most of its trade. With the Limpopo line closed, even exports via Maputo have to go through South Africa's Transvaal province.

The UN appeal for \$247m in emergency aid to avert disaster for 4.5m people in Mozambique has drawn pledges worth \$209m from 19 countries and the European Economic Community, William Dullforce writes from Geneva.

However, some of the 40 humanitarian organisations active on the ground worry that conditions inside the war-torn country may prevent effective aid distribution.

The US pledged \$75m, including 195,000 tonnes of cereals and the EEC's 125,000 tonnes food contribution is valued at \$27.9m.

Italy committed itself to \$35.5m and Britain and Canada to more than \$12m

It is largely Zimbabwe's predicament which has put the spotlight on the Beira corridor, the 314 km route between Beira and the Zimbabwean border which includes a single-track railway, a road and an oil pipeline.

Mr Mugabe is committed to *defending the corridor.* Zimbabwean helicopters buzz overhead, armoured personnel carriers patrol the road and troops guard strategic points such as the BP oil terminal at Beira. Confident Zimbabwean soldiers drive fast through Mozambican road blocks without stopping, car horns blaring, while ordinary travellers may need to hand over a couple of cigarettes or an egg to speed up the security check. Zimbabwean railway workers, well paid and well fed compared with their Mozambican colleagues, are constantly repairing and upgrading the railway line.

Even without sanctions Beira was, and can be again, the natural port for much of Zimbabwe and Malawi, and even for parts of Zambia. The Zimbabwean capital Harare is 600 km by rail from Beira but 2,065 km from Durban in South Africa.

"If you look at the map you immediately realise the strategic position of Beira port," says Mr Rui Fonseca, executive director of Mozambique's Beira corridor authority. "There's no doubt that Beira is the port of Southern Africa. It serves a very large and rich region."

At its peak in 1965, a decade before Mozambique's independence from Portugal, Beira handled 4.8m tonnes of traffic, close to today's potential market for the port of 5m tonnes. Last year the figure for Beira was only 1.4m tonnes. Mr Fonseca, hoping to persuade more Zimbabwean businessmen to cut their long-standing links with South Africa and switch to Beira, predicts traffic of 1.9m tonnes this year and 3.5m in a couple of years. His main problems are a shortage of locomotives, unfair discounting by South African railways and discrimination against Beira by shipping companies.

Mr Fonseca does not dwell on the disadvantages of Beira because it is his job to be optimistic. The corridor, however, is a tempting target for the MNR. The pipeline has already been blown up three times this year; the railway at least once. Electricity for Beira is erratic because of sabotage to pylons. More than 90 pylons were knocked down on the line to Beira between August and November last year and sometimes there is no power in the city for months.

Perhaps the most daunting obstacle to the development of the corridor is the state of Beira itself and of the port. "We're not making satisfactory progress in Beira," says a diplomat in Maputo from one of the many Western donor countries active in Mozambique. "Lots of the funds that we made available have not been disbursed. Underspending is a serious problem."

Rehabilitation of the port is underway, albeit behind schedule, and ships berthed at the ageing quays are unloading Kenyan soda ash for Zimbabwe and taking on board Zimbabwean asbestos and Zambian copper.

The Dutch have completed a project to restore a coal conveyor which can handle 750 tonnes an hour but unfortunately there is no coal because the mine at Moatize in the north has been cut off for years by the war. "When will it start working with coal?" asks Mr Vittorino Pinto, the 52-year-old port inspector. "We don't know."

Donor countries complain of difficulties in co-ordinating with the Mozambican Government. Even minor decisions must be taken at the top. "Fonseca is the only man we can ask. What happens if Fonseca gets ill?" complains one Western diplomat.

But it will probably be many years before Beira, Mozabbique or Zimbabwe can claim to be free of their dependence on South Africa.

Senegal wins \$1.8bn in aid pledges

By George Graham in Paris

SENEGAL has won aid commitments of around \$1.8bn over the next three years in support of its economic adjustment programme.

Donor countries meeting at the World Bank in Paris yesterday and the day before agreed in principal to meet Senegal's aid requirements, which include around \$320m a year for the Government's public investment programme and \$280m in non-project assistance for the country's balance of payments.

Senegal is regarded as having carried out one of the most successful of the World Bank and International Monetary Fund's restructuring operations, and delegates at yesterday's Paris meeting commended the Government's "courageous fiscal and financial reform measures."

The country's external debt — rescheduled five times at the Paris Club of creditor nations, most recently in November — still stands at around 790bn CFA francs (£1.6bn), however, and debt service accounts for around 50 per cent of budget receipts.

Mr Mamoudou Toure, minister of Economy and Finance, said yesterday that this burden weighed heavily on the country,

Egypt and IMF end negotiations over loan

By Tony Walker in Cairo

A TEAM from the International Monetary Fund left Cairo yesterday after completing technical discussions with Egyptian authorities on economic reforms in exchange for a \$250m-\$300m (£155m-£186m) loan.

The detailed discussions marked the last stage of negotiations between Fund representatives and Egypt before proposals for assistance are considered by the IMF board, probably by mid-May.

Egypt and the IMF agreed in February to a broad programme of reforms, including measures to reduce the budget deficit, increase energy prices, liberalise interest rates.

An agreement with the IMF will open the way for a rescheduling, through the Paris club, of Egypt's government-guaranteed debt which totals about \$12bn.

Egypt's creditors, including principally, the US and France, have indicated they are prepared to reschedule outstanding loans on generous terms providing Egypt and the IMF agree on economic reform.

Meanwhile, in anticipation of an IMF agreement which will involve changes to the method of establishing a market for the Egyptian pound, the value of the local currency has been fluctuating wildly.

According to a foreign banker the Egyptian pound against the US dollar rose sharply to a high of E£2.35 about a week ago before falling back this week to about E£2.06.

Philippine kidnappers free Japanese businessman

BY RICHARD GOURLAY IN MANILA

KIDNAPPERS have released a Japanese businessman in Manila, whose captivity for over four months has embarrassed the Philippine Government, harming diplomatic and economic relations between the two countries.

Early on Tueday the unidentified kidnappers released unharmed Mr Nobuyuki Wakaoji who is the head of Mitsui, the Japanese trading company, in Manila. He was snatched from his car outside the capital last November just four days after President Corazon Aquino returned from an official visit to Tokyo where she was trying to attract investors and additional official aid.

In February, Mrs Aquino claimed that the lack of progress towards finding and freeing Mr Wakaoji was holding up the flow of official aid. The Japanese Ministry of Tourism had also issued a warning to travel agents not to run tours to the Philippines for security reasons which sharply cut tourist numbers.

Soon after Mr Wakaoji's release yesterday, the Japanese Government withdrew its travel warning and sent a message of gratitude to Mrs Aquino for the Government's role in his safe release.

Mitsui and government spokesmen denied any ransom had been paid to the kidnappers who never identified themselves but had sent a note to news agencies demanding a \$5m ransom.

Manila's economic planners say that the historically high yen and Tokyo's drive to push foreign investment make the Philippines an ideal investment location for Japanese business. The Wakoaji kidnap has clearly made potential Japanese investors pause and may continue to dampen interest unless the kidnappers are tracked down, one Japanese manager said.

It appears that the Catholic church has had more to do with the businessman's release than the police. Last month, Jaime Cardinal Sin, the head of the influential Catholic church in the Philippines said priests had made contact with the kidnappers. Then last week Cardinal Sin said he had received "a message from God" that Mr Wakaoji would be released

Hawke denies snap election

MR BOB HAWKE, the Australian Prime Minister, said yesterday he would not call for snap elections although disarray within the opposition was a strong "temptation," Reuter reports from Sydney.

He told a press conference in Canberra that elections would be held at the end of 1987 or early next year, giving his Labor Party government almost a full term of office.

Elections are not due until April 1988, but there has been widespread speculation that Mr Hawke might call for polls next month to capitalise on a leadership crisis in the opposition Liberal-National coalition.

● The Australian Government will sell most of its shipbuilding interests in the first major move toward privatisation of government-owned companies, AP-DJ writes from Canberra.

A controlling stake in the Wiliamstown Naval Dockyard in Melbourne will be sold and notice given on the lease of the Cockatoo Island dockyard in Sydney.

WORLD TRADE NEWS

Ian Rodger on Japan's interpretation of the semiconductor pact

Tokyo digs in over chip dispute

JAPANESE trade officials are being tempted to dig in their heels on the dispute with the US over semiconductor trade. They feel this is one issue where the country has a strong case and nothing to be embarrassed about. They also feel that any concessions on their part would be interpreted by the US as an admission of guilt.

They have become openly critical of the bilateral semiconductor agreement concluded between the two countries last September.

US claims that Japan has infringed provisions of the agreement led it last Friday to decide to impose 100 per cent tariffs on a range of Japanese electronic products. A senior Ministry of International Trade and Industry (MITI) official described the semiconductor agreement this week as "just within the limit" of what is acceptable in the world free trade system.

"I would not like to see this kind of agreement made many times for many commodities," Mr Yuzuru Hatakeyama, MITI's director general of trade, said in a meeting with foreign journalists.

Officials say that the volume of trade affected by the new tariffs, $300m worth, is not particularly troublesome, especially at a time when the country is trying to reduce its trade deficit.

But they worry that this episode will cause longer term damage to US-Japan relations in general. "We are not accustomed to this type of game," Mr Hatakeyama said. "If the fact thtat Japan is abiding by the agreement is ignored, then the reaction of the Japanese people will be very anti-American."

Most Japanese newspaper editorials on the US move have been highly critical. Several called it excessive and emotionally motivated. Mr Hatakeyama said the US action put the Japanese Government in a difficult position:

He challenged the US to specify which provisions of the semiconductor agreement had been broken. The US claims that dumping by Japanese semiconductor companies in third markets contravenes the agreement.

The Japanese point out that the agreement says only that MITI will monitor sales in third markets and make its best efforts to stop any dumping.

"We are monitoring, and we are making our best efforts as the US has recognised, so there is no violation," Mr Hatakeyama said.

The US also claims that there has been no progress on increasing the share of US semiconductor makers in the Japanese market.

"We know the US companies want to have a 20 per cent share of the Japanese market (they now have about 8 per cent) within five years, and we welcome that," Mr Hatakeyama said. "But the 20 per cent is not written in the agreement. We did not say we would guarantee them 20 per cent. We recognise the expectations of the US companies, but there was no guarantee, so there has been no violation."

MITI officials say that the provision in the agreement calling for the promotion of US imports was only just within the acceptable bounds of free trade practices anyway. "We lifted import restrictions on semiconductors 13 years ago. If we are to stay within the free trade system, what else can we do to encourage imports?" Mr Hatakeyama asks.

Under the agreement, an import promotion agency was to be set up but that too has become a subject of controversy.

However, Mr Osamu Watanabe, director of MITI's US and Oceania division, believed that if discussions continued, the two sides could settle their differences.

Mr Hatakeyama refused to be drawn on any retaliatory measures that MITI might take if the US did not withdraw its tariff package. "We will try hard to get them to withdraw the (tariff) plan. If they do not, we have not yet thought about our choices." However, it looks as if the repudiation of the chip agreement is high on the list.

"That agreement was good for giving a breathing space at that time to the parties involved," he said when asked his view of it.

A SENIOR Japanese politician, Mr Shintaro Abe, will go to Washington within the next two weeks as a personal emissary of Prime Minister Yasuhiro Nakasone in a bid to ease rising trade frictions between the two countries.

Mr Abe, a former foreign minister and now chairman of the ruling Liberal Democratic Party's executive, hopes his talks with US leaders can pave the way for a successful US visit by Mr Nakasone himself scheduled for the end of the month.

Officials said Mr Abe would explain Japan's positions on a variety of individual trade problems, including semiconductors and super computers.

Mr Shintaro Abe: aiming to ease friction.

Retaliation threatened under Gatt rules

By William Dullforce in Geneva

JAPAN will haul the US before the General Agreement on Tariffs and Trade (Gatt), if the Reagan Administration slaps $300m in punitive tariffs on Japanese electronic imports on April 17, Mr Tomohiko Kobayashi, the economic adviser to the Foreign Minister, said yesterday.

Of the 14 products against which Washington was threatening to act, 13 were covered by bound tariffs which could not be raised unilaterally under Gatt regulations without paying compensation to the countries affected, Mr Kobayashi said.

Gatt rules would also allow Japan to retaliate by raising tariffs of its own, if it did not receive satisfaction. The whole process would be detrimental to third countries and the world trading system, Mr Kobayashi pointed out.

However, he underlined that before it took the dispute to Gatt, the Japanese Government would do its "utmost" to ease the current critical trade situation with the US.

Tokyo hoped to use the time available before April 17 to come up with "concrete action" in response to US and European complaints about delays in opening up its home market to foreign imports.

Urgent discussions were going on in Tokyo about possible purchases of US supercomputers by Japanese universities and public establishments and about the level of foreign participation in a second Japanese international telecommunications company, Mr Kobayashi said, although so far no decisions had been taken.

Britain's Cable and Wireless and Pacific Telesis of the US have so far been thwarted in efforts to obtain important holdings in this company.

Mr Yasuhiro Nakasone, the Prime Minister, had also ordered officials to work out a new plan for expanding Japanese domestic consumption, Mr Kobayashi said.

His remarks made it clear that Tokyo's immediate intentions were conciliatory. Japan will certainly not turn to Gatt before the results of Mr Nakasone's visit to Washington between April 28 and May 5 are known.

However, Mr Kobayashi stressed that governments abroad were over-estimating the capacity of the Japanese administration to change domestic practices rapidly and perhaps under-estimating the growing resentment among Japanese about what they perceived to be inconsistent and unfair US trade practices.

On the possibility that Japan could retaliate by discontinuing investments in the US that finance the US budget deficit, Mr Kobayashi said it was not a matter for the Government. It was up to Japanese investors to make their own judgment about the value of their dollar investments.

Cable and Wireless seeks to protect global network vision

BY DAVID THOMAS

CABLE AND WIRELESS' new venture in Malaysia throws a completely new light on the already complex and fractious set of manoeuvres surrounding Japan's decision to set up a second international telecommunications network.

If C & W is squeezed out of the Japanese deal by the politicking in full swing in Tokyo, could it still construct a Pacific hub for international telecommunications traffic which is not based in Japan?

The UK company, which once ran the British empire's communications system is refusing, at least in public, to entertain this thought at present, because it insists it still wants a significant stake in the Japanese venture.

Yet should it fail in Japan, the question is bound to be raised if C & W is to keep alive its vision of a global digital highway.

C & W, in partnership with other companies around the world, has embarked on the ambitious project of constructing a private global telecommunications network using optical fibres to link key centres such as New York, Lodnon, Tokyo and Hong Kong.

The network would challenge the mainly monopoly services run by the world's telephone administrations and demonstrate that the much-vaunted liberalisation of telecommunications really had taken on a global dimension.

The Far East hub of C & W's global ambitions centred around International Digital Communications Planning, the consortium bidding for Japan's second international franchise in which C & W has a 20 per cent stake.

More than half of the Y62.4bn (£266m) which IDC was planning to invest initially in the venture would go on a new Japan-US fibre optic cable.

However, those plans—and therefore the Far East hub of C and W's global ambitions—have been thrown into the melting pot by moves within Japan to merge IDC with the rival consortium, ITJ, in Japan, diluting C and W's role.

On the face of it, C and W's partnership with STM, the Malaysian telecoms company to build a $100m (£62.3m) cable between the Malaysian peninsula and its eastern states of Sabah and Sarawak, bears little relation to either the Japanese deal or C and W's global vision. However, that would be to ignore two points.

First, the Malaysian venture could be the first stage in a fibre optic telecommunications web linking the fast-growing economies of the Pacific rim, many of which suffer from antiquated communications.

Various countries in the region, including Hong Kong, the Philippines, Singapore and Brunei are understood to be discussing the construction of optical fibre links.

C. and W. believes its participation in the Malaysian venture will strengthen its claim to become involved in any deals flowing from these discusisons.

The company already has a powerful presence in the region, particularly in Hong Kong and is expanding its operations in China.

Moreover, in partnership with other companies, it is proposing to build a fibre optic cable linking Hong Kong, Japan and South Korea. It is also linking Canton in China to Hong Kong by optical fibre.

Secondly, one factor in the equation has generally been ignored in the furore about the new Japanese international telecoms franchise: the American end of the new US-Japan fibre optic cable over which the C & W-backed IDC consortium was intending to send traffic.

Pacific Telecom, one of the largest non-Bell telephone companies in the US, has applied to build the US end of the cable known as PPAC with C & W, which would hold a 20 per cent stake.

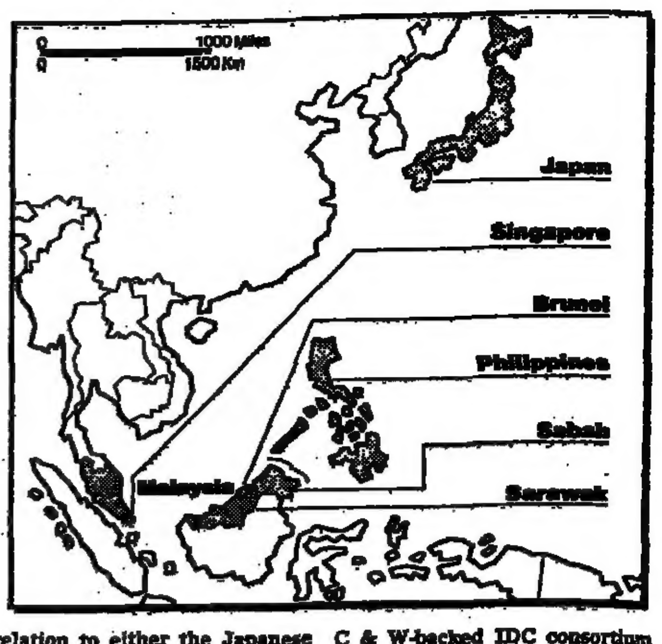
But if the IDC proposal were forced off the agenda by the Japanese, it would no longer be clear who would operate the Japanese end. Even more radically, the cable might by-pass Japan, with South Korea or the Philippines becoming the Far Eastern landing point.

In the end, Japan's dominance in the region might force C & W's American partner to insist that PPAC goes to Japan or nowhere.

But the prospect that other important economies in the region might link up in a fibre optic web means C and W can at least contemplate the possibility of an alternative destination for PPAC.

A Far Eastern web, possibly with PPAC at its heart, in which C and W played a strong part, would provide the alternative hub for its global network which it will have to seek if it loses in Japan.

The Malaysian agreement could be an important strand in that web.



Guatemala bid to strengthen Far East ties

By Anson Ng in Guatemala City

Guatemala's Vice President Mr Roberto Carpio Nicolle, has begun a 30-day visit to Japan, Taiwan and South Korea, intended to strengthen commercial ties between Guatemala and the Far East.

Mr Carpio, who will have talks with Asian officials and businessmen, is seeking to attract foreign investment by publicising Guatemala's free-trade zone and the Caribbean basin initiative which allows duty exemption on non-traditional exports to the US.

Nevertheless, analysts believe that Asian businessmen will be deterred from investing in Guatemala in the face of continuing government red tape and the absence of an investment code to ensure against expropoiation and political risks.

In view of the short notice given, Asian diplomats say that no significant agreements are likely to emerge during the visit apart from the possible signing of a scientific and technology co-operation pact, with South Korea. South Korean diplomats have also indicated the possibility of financial assistance to Guatemala.

German trade with East bloc declines

BY LESLIE COLITT IN BERLIN

WEST GERMANY, the Soviet Union and Eastern Europe's largest trading partner, experienced a "drastic" fall in trade with the area last year according to an analysis by the German Institute of Economic Research (DIW).

The 16 per cent decline in West Germany's trade with six European Comecon countries (exluding East Germany, which has a special trade relationship with Bonn), was in line with the overall drop recorded by OECD countries in trade last year with the East.

Falling fuel and raw materials prices accounted for much of the steep decline in the value of West German imports from the Soviet Union and East Europe. But the growing non-competitiveness of East European manufacturers also played an important role. DIW predicted Western trade with the East was unlikely to show much improvement until Comecon restructured its industry and radically improved the way it conducts trade with the West.

A 10-year expansion period ended abruptly in West German trade with the Soviet Union which makes up nearly half of its trade with the six Comecon countries.

Total trade with Moscow fell from DM 24bn ($13.3bn) in 1985 to DM 19bn last year.

Imports fell a steep 31 per cent to DM 9.4bn as a result of low fuel prices while exports dropped 11 per cent to DM 9.3bn. West German iron and steel exports were largely hit (down 20 per cent) while exports of machine tools rose DM 150m to DM 2.8bn.

DIW noted that Moscow did not expand borrowing in the West in the face of lower export revenues but instead curbed imports.

The DIW analysis welcomed efforts of Mr Mikhail Gorbachev, the Soviet leader, to reform foreign trade but said it would take years before Moscow could export enough competitive industrial products.

Under these conditions, it noted, Moscow might increasingly demand that Western companies purchase hard to sell Soviet goods in return for Soviet buying in the West. DIW suggested, however, the Soviets would be better advised to find mixed trading companies in the West as a means of overcoming their marketing weakness.

The West Berlin-based institute also recommended that tariff barriers on Comecon products should be removed as part of the negotiations between Comecon members and EEC countries in Geneva.

West German trade with the five small East European countries fell 8 per cent to DM 19bn,

Chinese regional fairs cut

CHINA is reducing the number of trade fairs for foreigners organised outside Peking as an economy measure, Reuter reports from Peking.

Shortage of foreign exchange and the poor planning of many exhibitions in provincial centres had led to the clampdown, Mr Stanley Chu, a Hong Kong-based fair promoter, said.

"Foreign trade shows are now being concentrated in Peking," he added.

Exhibitions attracting foreign companies hoping to export to China have greatly increased in recent years but often led to haphazard buying Mr Chu said,

Chinese leaders have this year called for an end to unnecessary imports and wasteful investment by local authorities and enterprises, whose use of foreign exchange is now strictly controlled from Peking.

Mr Chu was speaking at a news conference announcing a Peking exhibition later this year for foreign computer and telecommunications suppliers.

Swedish concern over Singapore

BY SARA WEBB IN STOCKHOLM

THE SWEDISH Government, is worried that relations and trade between Sweden and Singapore could be seriously damaged as a result of the country's arms smuggling scandal.

Mr Ingvar Carlsson, the Swedish Prime Minister, called the illegal arms sales "a deplorable affair," but avoided directly accusing the Singapore authorities. He said that the Government had insufficient information to take a position and would wait for the results of separate police and customs investigations.

However, Mr Carlsson said that the scandal could affect which countries Sweden exports weapons to in future. Over the past 10 years, Singapore has been Sweden's largest arms customer, accounting for 10.5 per cent of Sweden's arms exports between 1977-86.

Nobel Industries, the Swedish arms and chemicals group, admitted on Monday that its Bofors subsidiary illegally sold missiles to the Middle East via Singapore.

The confession implicated the Singapore authorities because Nobel Industries said that the Singapore Defence Ministry had supplied end-user certificates for Bofors missiles and that Singaporean companies, indirectly controlled by the Singapore Government, had been involved in the arms deals.

The Swedish Government is particularly cncerned because when a senior diplomat visited Singapore in 1985 to investigate claims of illegal arms smuggling, the Singapore Government gave assurances that Swedish weapons were not being re-exported to Bahrain and Dubai and that they were fully aware of Swedish arms export regulations.

Nobel industries revealed that Bofors missiles wre re-exported to both countries from Singapore.

AMERICAN NEWS

Pope urges Catholics to press for democracy

By Mary Helen Spooner in Santiago

POPE John Paul II said yesterday that the Roman Catholic Church in Chile should play the same role in promoting democracy as it did in the Philippines. The Pope's remarks came shortly before he left Montevideo for Santiago, where he was due to begin a six-day visit to Chile.

"Certainly in Chile we are going to encounter a system which is actually dictatorial," he said in the capital of Uruguay. "But this situation by its own definition is transitory."

Asked if the Chilean church heirarchy should press for a return to democratic rule as its Philippine counterparts did, the Pope said such a stance would be "not only possible but necessary." The attempt to keep Catholic priests and bishops confined to their sacristies was tantamount to letting the Church die, he said.

The Pinochet regime has attempted to play down any human rights overtones of the Papal visit, promoting the Pope's visit as the fruit of the Vatican's successful mediation of a territorial dispute between Chile and Argentina in 1985.

General Pinochet recently said he was convinced the Pope wanted to see the church return to its traditional role, and that a "small number of Marxists" had infiltrated it.

Chile is expected to be the high point of the Pope's trip. In the days prior to the pontiff's arrival an increase in protests by opposition forces was matched by criticism of military rule from the Church.

World's top financial markets walk a tightrope

BY ANATOLE KALETSKY IN NEW YORK

THE beginning of the end or a storm in a teacup? Financial operators around the world were asking themselves this question yesterday morning as they blinked at their trading screens trying to dodge ahead of the market's reaction to the unexpected jump in interest rates charged by US banks.

In any ordinary week, the ¼ point rise in prime rate to 6¾ per cent announced on Tuesday night by Citibank, the biggest US bank, would not have merited such international attention. But the last few days have been anything but normal. Recent events have reminded the world that all its most important financial markets are walking a tightrope.

It was all too easy for analysts to imagine, when Citibank issued its terse statement after the markets' close, that this could be the minor jolt that brought the whole precarious act to a disastrous end.

The US credit markets, after the longest period of quiescence for a decade, were jolted out of their passivity last Friday when Washington's retaliation against semiconductor dumping by Japanese microelectronics manufacturers suddenly raised the spectre of an international trade war.

Sentiment seemed to be settling down by Tuesday but Citibank's prime rate announcement, coming after the markets closed, touched directly on what seemed to be the market's rawest nerve—the fear that a long-term trend of falling interest rates and declining inflation may already be moving into reverse.

In the event, the dealers in the market have responded more calmly than many of the analysts. One obvious explanation is that the prime rate is now a benchmark of limited direct importance for the US economy.

Citibank said yesterday, for example, that only about one quarter of the bank's loans were now linked to the prime. Few large corporations borrow from the banks at rates linked to prime, preferring to do business at finer rates linked either to London Interbank Offered Rate (Libor) or rates available on commercial paper which the corporations can issue on the money market themselves.

The prime still serves as the basis for charging interest on many loans to small businesses and personal borrowers but even in these areas the prime is gradually being supplanted by other rate calculations, more closely related to market rates. For floating-rate mortgages, Treasury Bill rates provide the normal standard while an increasing proportion of loans to medium-sized businesses are now related to Libor.

In the personal credit market, interest rates determination has moved in the opposite direction —away from any direct link to market borrowing costs.

Borrowers from credit card companies have long been charged rates much higher than could be justified by any prime-related calculation, while car loan rates have been set at fiercely competitive levels, determined largely by the big three motor manufacturers' marketing policies rather than developments in the money markets.

It has been argued, of course, that the prime's psychological impact still greatly exceeds its practical importance. But not for the first time, the markets may be proving themselves to be less driven by irrational traditions than analysts suspect.

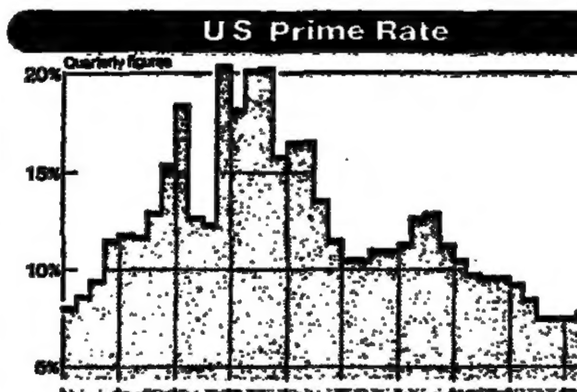
The real focus of the market's attention in the next few days will be on the reasons which motivated the marginal adjustment in prime rate. Citibank's statement that it was moving the prime to stay "in line with other rates prevailing in the market recently" is widely disputed by money market analysts.

Citibank, which said that the setting of the prime is "largely a matter of judgment" but is based on the bank's cost of funds, pointed out yesterday that some other key market rates had moved sharply higher since the prime rate was last cut in August 1986. Three-month Libor, for example, had risen from about 5.9 per cent last August to 6.6 per cent this week.

However, independent market analyst dismised this comparison as irrelevant, arguing that the present high rates in the interbank market were largely connected with end-of-quarter distortions. The higher prime rate "has nothing at all to do with any underlying changes in the money market, with signs of inflation or rising loan demand," Mr Len Santow of Griggs and Santow said yesterday. "It is entirely based on one fact — the banks are simply trying to widen their profit margins."

But why should the banks be making this move now? One possible explanation put forward by Mr Edward Yardeni of Prudential Bache was that bank profits have been threatened by renewed problems with Third World lending.

On this theory, the banks have been anxious to increase their lending spreads for some time and Citibank's hope was presumably that the inchoate mood of pessimism in the bond market would allow slightly higher bank margins to stick. So far, the alacrity with which other money centre banks have followed Citibank suggests that they share the same outlook.



Reagan to push for AIDS fund increase

By Nancy Dunne in Washington

PRESIDENT REAGAN was yesterday expected to urge increased research and funding for the fight against AIDS in his first formal speech on the deadly disease. The President was due to speak in Philadelphia at a medical forum sponsored by the college of physicals.

However, one day after settling a controversy with France over patent rights to AIDS screening tests, attention was focused on whether or not he would address the controversy over how best to tackle the spread of the disease — through condom use, sexual abstinance or mandatory blood testing.

The President gave a hint of his feelings on Tuesday when he broke with many conservatives and endorsed AIDS education in schools. He would favour class discussion about the disease "as long as they teach that one of the answers to it is abstinence," he said.

President Reagan seems ready to endorse an "all out campaign" against AIDS without getting dragged into the controversy.

"The President has been involved in terms of overall support for the AIDS programme, the budgetary aspects to it and making sure that support work is going forward," said Mr Marlin Fitzwater, White House spokesman.

Mr Reagan's speech on AIDS was to be followed by an appearance before financial backers underwriting the bicentennial celebration of the US constitution.

Banks renew Brazil's short-term credit lines before deadline

BY ANN CHARTERS IN SAO PAULO

BRAZIL'S short-term credit lines' which fell due on Tuesday, were all renewed at the expiration of the legal deadline for Brazil's private bank creditors to maintain commercial and inter-bank credits, Mr Dilson Funaro, Minister of Finance, announced.

Brazil's total oustanding short-term credit is $15bn (£9.4bn).

Mr Funaro, said on Tuesday, that this showed common sense and understanding on the part of the banks and Brazil could now start renegotiating interest and principal payments.

Of Brazil's more than 700 private bank creditors, the majority of the 180 banks with credit lines due renewed them for only 30 days, while a few extended credit for 90 and 180 days.

According to one international banker, the renewals indicate professionalism and seriousness by the banks but the shortening of the time period to 30 days is a worrying development. "It is too early to tell what amount of leakage will take place," he said, as many banks have yet to decide whether to continue lending short-term on a voluntary basis.

Mr Funaro is to present Brazil's economic programme for the next four years to the majority political party in Congress today for its support. The programme is expected to include efforts to increase domestic savings and include expectations for net inflows of foreign capital of $4bn (£2.5bn) to $5bn for each of the four years, mostly from private banks and multilateral lending agencies.

Mr Funaro is expected to attend next week's meeting of the interim committee of the IMF in Washington and meet with bankers and international monetary authorities.

Earlier this week, President Jose Sarney announced fiscal incentives to increase the country's exports and liberalise exchange control for imports. Importers no longer are required to buy dollars from the central bank to finance imports, but may use other dollar sources domestically and abroad including supplier financing. The measures were generally regarded as a good step but too mild, since they do not address the overvaluation of the cruzado which inhibits export competitiveness.

In another development, remaining retail price controls on a basic market basket of goods were lifted after 13 months due to a drop in demand. Only a few item, bread, milk, sugar, wheat, beer and soft drinks, will continue to have government-set prices. The rest will operate on a free market basis with the government accompanying the prices.

● Bank of Brazil employees returned to work yesterday after an eight-day strike anticipating a labour court decision later yesterday that would declare the strike illegal and permit firing of workers. Private bank employees in Sao Paulo voted to continue the strike, hampering banks in meeting end-of-the-month salary payments.

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UK NEWS

David Buchan and Lynton McLain assess latest moves in a defence controversy

Closing ranks on Foxhunter

GEC, the engineering group, yesterday broke its corporate silence on the controversial Foxhunter radar for the Toronto fighter. It claimed that, on a new fixed-price contract under negotiation, it could provide "a highly effective weapon system in a timely manner."

The Ministry of Defence, which is buying 162 Foxhunter-equipped Tornados for the Royal Air Force and selling 24 to Saudi Arabia, is insisting that despite past performance and production problems with the radar, it intends to complete the programme, but on new contractual terms.

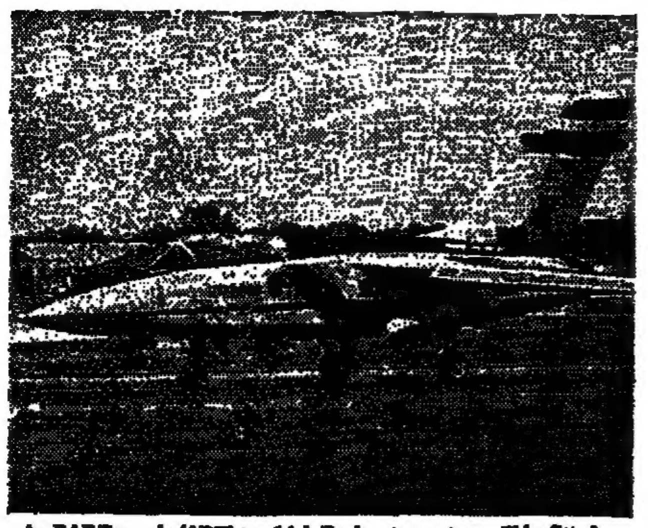
Nonetheless, Foxhunter has recalled, in the public mind at least, some features of the ill-fated Nimrod. After spending £930m over nine years on the Nimrod airborne early warning system, the Government decided last December to buy Boeing Awacs instead.

The obvious parallels – both concerned radars developed by GEC on "cost plus" contracts which overran original cost and time estimates – have created a public impression of a widening rift between the MoD and its largest supplier of defence electronics.

But these parallels and impressions are quite misleading, GEC and the MoD are now saying, closing ranks to scotch any suggestion of another Nimrod fiasco.

In his first public comment on Foxhunter, the programme for which he is now responsible, Mr David Fletcher, managing director of Marconi Defence Systems, a GEC company, made three main points yesterday:

- Further development will be carried out on a fixed-price contract at present being negotiated with the MoD. Exact specifications for the improved radar should be agreed within the next month and the new contract signed later this year. Foxhunter development had so far cost £150m, but a fixed price would be agreed for future development. Mr Fletcher gave no cost estimate for the total renegotiated programme, but said the much quoted figure of £650m was too high.
- GEC, with the blessing of the MoD, "intends to take over direct, prime contractor responsibility for certain radar sub system contracts previously managed by the MoD, in order to have control over important items which currently constrain performance and delivery," Mr Fletcher said.



An RAF Tornado (ADV) to which Foxhunter system will be fitted.

At present, contractual responsibility for the Foxhunter-equipped interceptor version of the Tornado is split several ways. British Aerospace is responsible for overall assembly of the aircraft, but has no direct remit over the radar which is mainly built by GEC with the MoD effectively acting as prime contractor.

Thus, Foxhunter has a transmitter largely made by Ferranti, whose contractual link is with the MoD, not GEC. If GEC and Mr Peter Levene, the MoD chief of defence procurement are agreed on one lesson from the Nimrod fiasco, it is on the need for a single industrial; not ministerial, prime contractor more.

- "More attention should be paid to the integration of weapon systems as a whole," Mr Fletcher said. Thus, GEC had made an internal decision to switch responsibility for co-ordinating the Foxhunter programme from GEC Avionics, chief developer of Nimrod, to MDS, which is closely involved in making the weaponry that Tornado interceptors are to carry. These are mainly the Skyflash air-to-air missile, and the Advanced Medium Range Air-to-Air Missile.

The requirement for Foxhunter is that it be able to identify targets at long range (up to 100 miles), track them and fire missiles, which makes it, potentially, the most sophisticated airborne radar Britain has ever developed, according to both GEC and MoD officials.

It is, thus, a more complex radar than the Texas Instruments-designed radar in the Interdictor Strike (IDS) version of the Tornado, which is built by Britain in collaboration with West Germany and Italy. The latter two countries have bought only the Tornado IDS which has a relatively simple forward-looking, terrain-following radar for low-level strikes.

Of the three nations building Tornado, only Britain has so far wanted the Air Defence Variant (ADV) of Tornado, as a high-level interceptor to patrol far out over the sea. Thus, Britain has carried out ADV conversions alone, making the standard IDS Tornado 4 ft longer to take extra fuel and equipment, including the purely British-developed Foxhunter radar.

However, it did not help starting the more complex ADV version in 1974, five years later than the start of the original IDS programme. It was 1976 before the Foxhunter contract was placed with GEC Avionics. Even then, no exact specification could be agreed because the RAF did not know precisely what it wanted and GEC precisely what it could achieve – hence, the cost plus or get-paid-as-you-go basis of the development contract.

Originally, the development phase was due to end in 1981. But it is still continuing, for three reasons. First, the Soviet air threat has increased. Second, the general potential of Tornado in its role as interceptor, distinct from strike bomber, has grown, and with it the desire to have a radar to match. Third, the associated problem of linking the radar with the weapons has become more complex.

Sometime this summer the first squadron of ADV Tornado will form at RAF Coningsby. By the end of the year the RAF will have some 73 of the interceptors.

Conservative MP admits share flotation breach

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

THE GOVERNMENT last night confronted a deeply embarrassing and damaging admission from a Conservative MP that he made multiple applications for shares in British Telecom (BT) when it was privatised in November 1984.

A short statement from Mr Keith Best, a 37-year-old barrister, brought immediate Opposition calls for his resignation. It was quickly followed by confirmation from Scotland Yard that the Fraud Squad is to investigate his transactions.

Under the terms of the BT flotation, multiple applications from the same person for new shares represented a criminal offence under the Theft Act 1968. Last year, 10 people were successfully prosecuted for making more than one application for BT shares. Applicants were limited to 800 shares each.

The Department of Trade and Industry said last night it had noted Mr Best's statement and was "urgently checking all the facts". Although the original applications had been monitored on its behalf at the time of the flotation, the Department itself now intended to check all 2.25m application forms.

Mr Best's admission will deal a serious blow to recent ministerial efforts to underline the Government's determination to clean up the City of London. Last night, Tory MPs were annoyed that the affair threatened to undermine those efforts and to distract attention from Mrs Margaret Thatcher's confident return from Moscow.

There were, however, few signs that Mr Best would face immediate pressure from Government whips to resign his Welsh seat, Ynys Mon, formerly known as Anglesey. He held the seat in the 1983 general election with a majority of only 1,684.

Mr Best said he accepted he had made six separate applications, all using his own name, for BT shares but that "at the time of making the applications I did not consider that I was acting improperly." The share register shows that Mr Best used several addresses to make his applications.

In the House of Commons, Opposition MPs attempted to maximise the Government's discomfort over the affair. Mrs Ann Clwyd, the Labour MP for Cynon Valley, asked if Mr Best intended to make a statement to MPs about "what may be a very serious crime."

Labour MPs tabled a motion calling for Mr Best's resignation and for his prosecution under the Theft Act. Mr Alex Carlile, the Alliance spokesman on legal affairs, also called on Mr Best to resign his seat after his "shocking revelation."

NZ stake in Guinness Peat

BY TERRY POVEY

NEW ZEALAND'S Equiticorp investment company has snapped up almost a quarter of Guinness Peat, the merchant bank, following a month-long auction by a UK institution.

The stake has been acquired without the prior approval of the Bank of England. It is the second Antipodean test in the last two months of the Bank's resolve to tightly control shareholdings in UK banks.

Under the new Banking Bill, the Bank of England will be able to vet purchases of more than 15 per cent stakes in UK banks, freeze voting rights and even order disinvestment of shareholdings of which it does not approve.

Mr Alastair Morton, Guinness Peat's chairman, is due to meet an Equiticorp executive today and is not expected to welcome the raider with open arms. With strong Bank of England backing, Mr Morton was recently appointed joint chairman of the Eurotunnel project.

Equiticorp, which is run by Mr Allen Hawkins, is believed to have paid Friends Provident, the life assurance company, some £75m for its 24 per cent holding in the merchant bank. In mid-March, the Friends Provident was engaged in discussions over the sale of this stake to Australia's FAI Insurance.

It was FAI, with a stake of just under 15 per cent in Hill Samuel, which first put the Bank's resolve on this issue to the question in February.

Although no formal statements were made after meetings between Mr Larry Adler, chairman and chief executive of FAI, and the Bank, Hill Samuel's share price has subsequently fallen back to very close to the level at which Mr Adler purchased his holding and there has been no notification of any increase in it.

In both New Zealand and Australia, Equiticorp has been an aggressive participant in the stock market.

Britain 'must strengthen nuclear inspectorate'

BY MAX WILKINSON, RESOURCES EDITOR

THE GOVERNMENT should take urgent steps to strengthen the numbers and quality of Britain's nuclear inspectors, says a parliamentary report, published yesterday.

It went on to give a warning that the Central Electricity Generating Board (CEGB) must be more open about problems at nuclear plant and less intolerant of critics.

The all-party select committee on energy said it was concerned that the independent Nuclear Installations Inspectorate (NII) had 18 per cent fewer staff than the planned number of 120.

The report said: "Of all areas, nuclear safety is one in which corners should never be cut."

"It is not only the quantity but also the quality of inspectors which is of concern. To allow cost cutting exercises such as the suspension of civil service recruitment or dispersal policy to affect such a key body, which particularly needs to retain experience and continuity of service, is folly."

It added: "We recommend that the Government gives its urgent attention to ensuring that the NII can recruit and retain sufficient staff of sufficient quality to discharge all its responsibilities."

The report followed an inquiry into allegations in an article in The Times newspaper that corrosion problems at the Hinkley Point Magnox nuclear reactor might force an early shut-down of the station. A second article said the cost of decommissioning such stations might be £2.7bn per station.

The MPs found that neither report was accurate. Sir Ian Lloyd, chairman, yesterday described the report on decommissioning costs as "a grotesque misuse of figures".

The committee broadly accepted evidence from the CEGB that decommissioning costs would be less than £330m per station. However, taking account of other submissions, the committee thought a range of between £250m and £750m should be considered.

IBA renews its claim to oversee radio expansion

BY RAYMOND SNODDY

THE INDEPENDENT Broadcasting Authority (IBA) yesterday renewed its claim to oversee the expansion of radio envisaged by the recent Government Green Paper on the future of radio in the UK.

Lord Thomson of Monifieth, chairman of the IBA, said: "We know about radio. We love it and we know-how to help independent radio to develop."

He said he approved of Government's underlying thinking in advocating greater diversity and choice for listeners. The Green Paper foresees up to three new national commercial radio stations and as many as 500 community and local stations all over the UK.

But the IBA chairman asked:

- How could the best elements of the present independent local radio system be preserved during the planned expansion?
- How would such a greatly expanded system be financed in practice?
- How could such a system be engineered to provide room for all and an acceptable quality of transmission for all?

"We need answers if we are to put flesh on the bones of the Green Paper," said Lord Thomson, who was speaking at the fiftieth meeting of the London Local Advisory Committee for Independent Local Radio.

The Government has suggested that in future radio regulation should be the responsibility of either the Cable Authority, the IBA or a newly created radio authority.

Channel 4 said yesterday it had decided to appoint a deputy and an assistant director of programmes reporting to Mr Jeremy Isaacs, the channel's chief executive.

Mr Liz Forgan will be deputy director of programmes and head of news and current affairs and Mr Mike Bolland becomes assistant director of programmes and head of the entertainment group.

Rift widens between Sun Life and Liberty

BY ERIC SHORT

RELATIONS BETWEEN Sun Life Assurance, one of Britain's major life companies, and its largest shareholder, TransAtlantic Insurance Holdings, have worsened over TransAtlantic's claim that it should have three seats on the Sun Life board.

Mr Peter Grant, Sun Life chairman, in a statement accompanying the 1986 annual results, attacked what he claimed to be the latest attempt to suck Sun Life into the South African-based Liberty Holdings – which he says controls TransAtlantic, despite a stake of less than 50 per cent.

Mr Mike Middlemas, managing director of TransAtlantic, one of the proposed nominees, said he was disturbed by the intemperate behaviour of Mr Grant, and disappointed that all attempts to reach an accommodation with the board had been rejected. The other nominees are Mr Dennis Marier and Mr Michael Rapp.

Mr Middlemas said now they had no alternative but to deliver a statutory notice to let Sun Life shareholders decide on board representation.

Relations between the two companies have been strained since Liberty's chairman and chief executive, Mr Donald Gordon, took a substantial stake in Sun Life several years ago through TransAtlantic Holdings.

Earlier this year TransAtlantic, with a stake of 26 per cent, blocked Sun Life's corporate restructuring proposals.

Mr Grant, in his statement, reaffirms his board's view that an association with Liberty would not offer anything of value to Sun Life, because life assurance in South Africa operated under different conditions to those in Britain.

He tells shareholders that the board is considering various possibilities to counter the harrassment of Liberty. There has been speculation of a merger or bid for Sun Life, the TSB being named as a likely suitor.

Mr Grant will be lobbying shareholders, particularly the institutions, arguing that a split board is not good for the future development of Sun Life. He says he has firm support.

Mr Middlemas will put his case to shareholders after the report and accounts have been published on April 15 and a battle can be expected at the annual general meeting fixed on May 13.

Consumer lending boom

BY HUGO DIXON

THE GROWTH of consumer lending by finance houses accelerated sharply last year, according to figures published yesterday by the Finance Houses Association, the industry's trade body.

Finance houses lent a total of £13.4bn in 1986, 48 per cent of which was to consumers – the highest proportion ever. Consumer lending at £6.5bn was 29 per cent up on 1985, although this was only 20 per cent when adjustments are made for changes in the FHA's membership. The expansion between 1984 and 1985 was 14 per cent.

Two types of loans experienced particularly strong growth. Revolving credit cards grew by 117 per cent to £1bn. Property loans more than doubled to £615m.

UK NEWS

Caterpillar workers defy union on sit-in

By James Buxton

WORKERS occupying the Caterpillar tractor plant at Uddingston, near Glasglow, yesterday ignored an instruction from the Amalgamated Engineering Union (AEU), to call off their sit-in, which is in its twelfth week. The occupation now lacks official union backing.

The AEU instruction came after Mr Jimmy Airlie, the union's Scottish executive officer, failed in an attempt to arrange a last-minute compromise between the shop stewards representing the 800 occupying workers and the Caterpillar management.

He proposed that the 55 shop stewards would remain in the plant after management representatives re-entered it, in order to demonstrate that no damage had taken place during the occupation.

But Caterpillar replied that the occupation must end before there could be any negotiations, although it said it would not start dismantling equipment in the plant before its official closure date in May.

The AEU says it cannot risk the consequences of supporting an illegal occupation. It believes that the industrial dispute would best be pursued through strike action and picketing outside the plant.

Last night Caterpillar, which last week gave a court undertaking to negotiate with the occupying workforce once they left the plant, was considering its position.

Software industry 'damaged by Whitehall conflict'

BY DAVID THOMAS

A CONFLICT of interest between government departments is damaging the UK software industry, according to a report commissioned by the Department of Trade and Industry (DTI).

The report, prepared by consultants at Coopers & Lybrand and due to be published today has been eagerly awaited by the British software industry.

It believes the report will act as an antidote to a study listing weaknesses in the British software industry published to a stormy reception in June by the Advisory Council for Applied Research and Development, a Cabinet Office body.

One of the passages likely to cause most controversy in the latest report is the suggestion that there is a conflict between the Central Computer and Telecommunications Agency (CCTA), the Treasury body which advises government departments on information technology and acts as a central purchasing agency for all large contracts, and the DTI.

The report is understood to suggest that the agency's remit, which is to secure value for money, can conflict with that of the department, which sponsors the British software industry.

This is likely to be seen by people within the industry as supporting their long-standing argument that the agency does not give enough business to British software companies.

The report goes on to suggest that changes in the agency's constitution might be needed. It says that the most radical option worth considering is bringing the agency under the wing of the department.

However, the Government will probably reject this idea, pointing out that the agency is contracting out more of its business to private computer companies. In 1985-86, it spent £50m in this way, a figure which is thought to have risen to £75m in 1986-87 and is planned to be £110m this year.

Some support is also given to the suggestion that British software is at a disadvantage in international competition because it is too fragmented.

It is understood to say that there is merit in British software houses being acquired by larger British companies in high-tech areas without software interests, which has already happened in some cases.

However, the report is thought not to have commented on the acquisition of British software houses by foreign companies, which is another trend in the industry.

Boeing offset deal awarded to Perkins

By Michael Donne, Aerospace Correspondent

BOEING AEROSPACE Company of the US has awarded to a UK company its first contract under the offset arrangements agreed after the UK's decision to buy the Boeing Airborne Warning and Control System (Awacs) late last year.

The deal now announced has been placed with Perkins Engines (Shrewsbury) for the supply of diesel engines for the prototype vehicles being developed to carry the new US Air Force "Small Intercontinental Ballistic Missile."

Initially worth $300,000 (£186,000) for prototype engines, it could eventually be worth as much as $40m to the UK company.

Perkins will supply four 1,200 hp Condor CV-12 engines to Boeing and its team member, Loral Defense Systems of Arizona, who are jointly developing the vehicle, the Hard Mobile Launcher, or HML, to carry the new missile.

The engines will be made at Perkins' plant in Shropshire. They will be delivered to London, Ontario, for installation in the vehicle chassis being built by another HML subcontractor, General Motors. Deliveries are due to begin this autumn.

The HML will provide a survivable, rapid on-and-off road transport system for the mobile ICBM, scheduled to become operational in 1992. Boeing and Loral are developing the system under a five-year programme for the US Air Force.

If Perkins is successful in winning a full-scale production contract for its diesel engines for the HML vehicle, it could mean more than $40m in engine sales to that company.

The pact under which the UK decided to buy the Boeing Awacs airborne missile detection system, instead of continuing with the British-developed GEC Nimrod laid down that Boeing would supply offset contracts to UK industry worth up to 130 per cent of the overall value of the Awacs deal of more than £860m over the next eight years.

Greenock terminal mothballed

BY JAMES BUXTON, SCOTTISH CORRESPONDENT

SCOTLAND IS to lose its only integrated container terminal in June when the container port at Greenock is closed by the Clyde Port Authority.

The decision to shut the £[illegible]m terminal was taken after its last regular customer, the West German shipping line Hapag Lloyd, announced in January that it would stop using Greenock. Nearly 100 workers, mostly dockers, will lose their jobs.

The Clyde Port Authority is to deregister the port as an employer of dock labour. The dockers will be offered voluntary redundancy or deployment by the Dock Labour Board at the dwindling number of port facilities on the Clyde.

The Greenock terminal, which was opened in 1968, had 13 container services in its heyday in 1973. As North Atlantic shipping has declined and the nature of the Scottish exports changed, the number of services gradually fell to leave only Hapag Lloyd.

In January, Hapag Lloyd agreed with Atlantic Container Lines (ACL) to divide up their North Atlantic traffic between them, so that ACL would carry all Hapag Lloyd's UK traffic, using Liverpool, and Hapag Lloyd would carry all the traffic for both lines from European Continental ports.

Since then the Clyde Port Authority has tried to attract other container lines to Greenock, but the only possibility was a small feeder service for European ports. But it was considered uneconomic to keep the port open just for this.

The decision to mothball the terminal is a blow to a project now under study to use the Clyde ports as a point of trans-shipment for transatlantic traffic destined for European ports when the Channel Tunnel is built.

The idea is that the use of the Clyde would cut sailing times from North America by 30 hours. The Scottish Office is having a feasibility study of the project carried out.

UK NEWS

Kinnock pledges support for Anglo-Irish deal

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

MR NEIL KINNOCK, the Labour leader, yesterday moved quickly to kill off the prospect of renewed confusion over his party's Northern Ireland policy by pledging total support for the Anglo-Irish agreement.

Mr Kinnock, who was addressing a meeting of the parliamentary Labour party (PLP) at Westminster, made it clear that Labour remained committed to the agreement and blamed the press for suggestions that Labour would, in the event of a hung parliament, consider making changes to it in order to enlist the support of Ulster Unionists.

Neil Kinnock: put blame on the press

The speculation arose after reports that Mr Stuart Bell, one of Labour's Northern Ireland spokesmen, had indicated in a weekend speech that the party might be prepared to review the agreement as part of a deal with Ulster MPs. The speech was not, however, given and Mr Bell has denied making the suggestions which were reported in some newspapers.

Mr Kinnock told the PLP that the agreement would be subject to a review in November 1988 but that would not be the time to "change, dilute or uproot" the document. The intention of the review would be to build on the agreement's strengths.

The Labour leader emphasised that the party remained completely behind the agreement, as it had made clear on repeated occasions. In 1988, a Labour government would take advantage of the review "to build on its success and repair any failures in its operation." The Ulster Unionists were well aware of the party's position, he added.

Mr Bell told fellow MPs that he had always said there would be no deal arranged with any Northern Ireland political party and no tearing up of the Anglo-Irish agreement. The party's policy, he had consistently emphasised, would remain the same.

Building output 'to rise'

BY PAUL CHEESERIGHT

OUTPUT by the construction industry is predicted to rise by 4 per cent this year according to the latest forecasts by the National Council of Building Material Producers. This follows last year's 2.5 per cent gain.

Construction output, which declined significantly in the late 1970s, and early 1980s, has risen steadily since 1982 although activity is still below the peak level of 1974.

The control expects the private housing and commercial sectors to show further growth in 1987. Output for new commercial building is set to rise by 14 per cent in 1987, after last year's 13.9 per cent increase.

In the private housebuilding sector, population trends, leading to a move away from starter homes and towards larger, executive-style houses, will boost the value of output, but in the public sector, the forecast is for continuing decline.

Party drops its black sheep joke from TV

By Michael Cassell
Political Correspondent

A PARTY political broadcast by the Social Democratic Party (SDP) partly aimed at the so called loony (extreme) left of the Labour Party and featuring the comedian Mr John Cleese was televised last night, after an unsuccessful High Court attempt by Islington council, London, to have it stopped.

The council tried to halt the broadcast because it felt that it contained an alleged libellous reference. The council claimed that the broadcast had incorrectly alleged that the council had banned the nursery rhyme "Baa Baa Blacksheep" on the grounds that it was racially offensive.

Despite Islington's court failure, however, the offending passage was removed before the broadcast went out. In an open court hearing, counsel for Islington sought an injunction to stop the broadcast and claimed it had never discouraged the singing of that or any other nursery rhymes in its schools and that it had not been banned.

The SDP said that the broadcast could be justified because the actions of the teacher, who had written to the parents of a child complaining she had sung the rhyme, could be taken to be the actions of the council.

The broadcast did not say that Islington had banned the particular rhyme, but referred to council accusations that a five-year-old child had recited a racially offensive poem.

After the High Court judgment, Dr David Owen, the SDP leader, yesterday said he had nevertheless decided not to include in the broadcast any joke or reference to the "Baa Baa Blacksheep" controversy.

The party was perfectly entitled to do so but the decision had been taken in order not to add to the personal distress of the family involved in the affair.

NEW CAR DEAL WITH HONDA ON WAY

Rover chief for talks in Japan

BY JOHN GRIFFITHS

ROVER GROUP chairman Mr Graham Day is to fly to Japan at the end of the month for further meetings on Austin Rover's future collaboration with Honda.

It is expected that the visit will culminate in the signing of a manufacturing agreement for the new medium-sized car the two companies are developing, codenamed YY by Honda and AR8 by Austin Rover. The car will replace Austin Rover's Maestro and Rover 200 models and Honda's Civic and Ballade in 1989-90.

An agreement is likely to prompt Honda to confirm a decision to build an engine plant on a 360-acre site it owns at Swindon, Wiltshire, which is used as a vehicle preparation and test centre.

The engine plant is still officially the subject of a feasibility study. However, officials of Honda Motor Manufacturing (UK) acknowledged at the opening of the mile-long test track that a site for the engine plant had already been levelled and prepared. Engines from the plant could be expected to power Honda versions of the YY cars at least.

Honda and Austin Rover between them already import some 35,000 engines for use in a Rover 200 and the 5,000 Ballades Austin Rover is to build for Honda at its Longbridge plant this year.

A joint manufacturing agreement would involve Austin Rover building far more cars for Honda, however – possibly as many as 100,000, enough to justify the engine plant.

In spite of the apparent progress towards an agreement, which follows the launch of the joint Rover 800/Honda Legend executive car, officials of the wholly-owned Honda manufacturing subsidiary said the arrangements under which Austin Rover is building Legends at Cowley and Ballades at Longbridge had not been trouble-free.

Honda is subjecting each car to intensive checks and 10-kilometre road test.

First deliveries began in January, instead of late last year and the initial rectification level has been higher than envisaged. One official said that while most cars were fairly trouble-free, "some can take up to a day and a half to fix." Most difficulty had been experienced with paint.

The £20m preparation plant had been due to process 490 Legends and 1,200 Ballades by the end of February. But it had managed only 320 Legends and 1,160 Ballades.

Mr Trevor Elliott, divisional manager of Honda Cars, said, however, that "most problems have now been solved and we are pleased with the overall quality."

Plea for early court hearing over Guinness cash claims

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

GUINNESS is hoping for a hearing before Easter of its High Court move to force Mr Ernest Saunders, the company's deposed chairman, and his fellow director, Mr Thomas Ward, to reveal the precise whereabouts of £5.2m of the company's money that was transferred to Jersey last year.

Mr David Oliver, QC, for Guinness, told the court yesterday that the company was "not happy" that it still did not have information that should have been provided by Mr Saunders and Mr Ward "a very long time ago."

It was important that there should be an effective hearing of Guinness's claim as soon as possible, Mr Oliver said. It was agreed that the case, estimated to last up to four days, should come on soon after next Wednesday. Guinness is looking for a hearing before the court rises for its Easter recess on April 15. Failing that, it will have to wait until the end of the month.

Mr Justice Knox yesterday continued until that hearing temporary orders obtained by Guinness freezing Mr Saunders' and Mr Ward's UK assets up to a limit of £5.2m, directing them to swear affidavits disclosing the whereabouts of the £5.2m or any property derived from it, and requiring them to "repatriate" the money or property and deliver it to Guinness's solicitors.

Mr Saunders and Mr Ward were given until tomorrow to put in evidence opposing Guinness's claims. Mr Saunders, whose lawyers have said that he will apply to discharge the disclosure order, has stated that he has not benefited from any part of the £5.2m and had none of it in his possession or control.

Mr Ward has stated that the £5.2m, which, he claims, was paid to him for consultancy services during Guinness's takeover battle for Distillers, is (less deductions to pay US taxes) on deposit in the US.

Airline losses put BCal in the red

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH Caledonian (BCal) Group of aviation companies incurred a pre-tax loss of £19.3m in the year to October 31, 1986, against a profit of £21.7m in the previous year.

Announcing this "significant deterioration" in its results, the group said it was due to "a range of exceptional circumstances" wholly outside its own control.

These largely affected the airline sector British Caledonian Airways, which suffered a pre-tax loss of £25.5m, compared with a profit of £21.7m in the previous year.

The group's annual report comments that the problems encountered during 1986 were "far worse than anticipated."

They included the declining traffic caused by the recession in the petro-chemical industries, the effects on air transport of international terrorism, the Chernobyl atomic power station disaster, the US bombing of Libya, problems with fund remittances from Nigeria, and the UK Government stopping the Gatwick-Heathrow helicopter link.

The report claims that the group has emerged from its year of trial "fitter, more flexible and prepared for expansion," concentrating its resources in the two key areas of air transport and hotels.

Britain told to talk on Falklands

By Jimmy Burns

AN ALL-PARTY pressure group has marked the fifth anniversary of the Falklands war today by calling on Britain and Argentina to enter negotiations on the future of the islands.

The South Atlantic Council says that continuing failure to reach a settlement is against the islanders' interest because it risks undermining the democratic government in Argentina.

"The islanders' fear is that a military regime could return in Argentina. Failure to reach a peaceful settlement will make that more, rather than less, likely. An agreement would sustain democracy in Argentina, which is the islanders' only true guarantee of security."

The council was formed by a group of British parliamentarians and academics after the war. It has since attempted to act as a counter to the pro-Falklands lobby, led by hardline islanders, which has historically been against any agreement with Argentina.

Membership includes Mr Cyril Townsend (Conservative); Lord Kennet (Social Democratic Party Alliance) and Mr George Foulkes, Labour spokesman on foreign affairs.

Legal test case over 'anti-Tory' leaflets

By David Brindle,
Labour Correspondent

PROSECUTIONS are being brought under electoral law over the distribution by trade unions of leaflets allegedly dissuading voters from supporting the Conservative Party.

Two trade unionists in south London have been summonsed to appear before magistrates on May 1, before any likely general election campaign, for "incurring expense with a view to promoting or procuring the election of candidates other than candidates supported by the Conservative Party."

The cases, being brought by the Crown Prosecution Service, will be a crucial test of the ostensibly non-party political campaigns mounted by unions against cuts in public services or in favour of improved services.

They will also indicate how far groups such as the recently-launched Tactical Voting '87 campaign may go within the law in urging voters in marginal constituencies to support non-Tory candidates.

The prosecutions were confirmed as the white-collar union Nalgo announced a big anti-cuts publicity drive linked to the forthcoming general election. The union is displaying posters at 500 sites

The legal challenges relate to council elections last May in the London Borough of Wandsworth, with one of the accused, Mr Peter Ramage, being the former local Nalgo publicity officer.

Mr Ramage is accused in connection with a leaflet issued by Nalgo and entitled Wandsworth: The Blighted Borough. The other accused Mr Melvyn Benn, is similarly accused in connection with a leaflet entitled Save Our Services.

In each case, the relevant accusation is that the leaflets contravened Section 75(i) of the Representation of the People Act 1983, which prohibits anyone but an election candidate, his agent or nominee from presenting to voters the views of a candidate "or disparaging another candidate".

Company Notices

NOTICE OF PREPAYMENT
BANQUE NATIONALE DE PARIS
US$ 250,000,000 — 14½% Bonds due 1990

Notice is hereby given that, in accordance with close "redemption" of the general provisions of the bonds, Banque Nationale de Paris will prepare all of the outstanding bonds at 101.5 per cent of their principal amount on May 6, 1987 when interest on the bonds will cease to accrue.
Payment of principal will be made upon presentation and against surrender of the bonds with all unmatured coupons attached, at the principal office of Banque Nationale de Paris in Paris, or of Banque Nationale de Paris (Luxembourg) S.A. in Luxembourg, or of Banque Nationale de Paris P.L.C. in London, or at Banque Nationale de Paris branch in New York.
Accrued interest due May 6, 1987 will be paid in the normal manner upon presentation and against surrender of coupon No. 5 on or after May 6, 1987.

Paying Banks:
Banque Nationale de Paris (Head Office)
16 Boulevard des Italiens, 75009 Paris, France
Banque Nationale de Paris, New York
499 Park Avenue, New York, N.Y. 10022
Banque Nationale de Paris PLC
8-13 King William Street, London EC4P 4HS, England
Banque Nationale de Paris (Luxembourg) S.A.
24 Boulevard Royal, Luxembourg

GENERAL MINING UNION CORPORATION GROUP
ANNUAL GENERAL MEETINGS

The Annual General Meetings of the undermentioned companies (all of which are incorporated in the Republic of South Africa) will be held in the board room, Ground floor, Union Corporation Building, 74-78 Marshall Street, Johannesburg on the date and times mentioned below:

Name of Company	Date and times of Meetings
Marievale Consolidated Mines Limited Registration No. 05/06775/06	Monday, 27 April 1987 at 14h00
The Grootvlei Proprietary Mines Limited Registration No. 01/02086/06	Monday, 27 April 1987 at 14h15
St. Helena Gold Mines Limited Registration No. 05/20743/06	Monday, 27 April 1987 at 14h30
Beatrix Mines Limited Registration No. 77/02138/06	Monday, 27 April 1987 at 14h45
Stilfontein Gold Mining Company Limited Registration No. 05/33412/06	Monday, 27 April 1987 at 15h00
West Rand Consolidated Mines Limited Registration No. 01/01978/06	Monday, 27 April 1987 at 15h15

Holders of West Rand Consolidated Mines Limited share warrants to bearer, may obtain copies of the annual report from 30 Ely Place, London EC1N 6UA.

CANADIAN PACIFIC LIMITED

GENERAL MINING UNION CORPORATION LIMITED
ANNUAL GENERAL MEETING

No 00323 of 1987
IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION IN THE MATTER OF UNITED GUARANTEE (HOLDINGS) PLC AND IN THE MATTER OF THE COMPANIES ACT 1985

SHELL CANADA LIMITED

Clubs

Art Galleries

THACKERAY GALLERY, 18 Thackeray St., W8. ... CROWE ... Until 24 April.

ABN Bank
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Established in Amsterdam
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Shareholders of ALGEMENE BANK NEDERLAND N.V. are invited to attend the ANNUAL GENERAL MEETING ...

Amsterdam, 1 April 1987.

Public Notices

SPECIALISED ADVERTISING SERVICES
MONOPOLY INVESTIGATION

Sir Gordon Borrie, the Director General of Fair Trading has asked the Monopolies and Mergers Commission to investigate the supply in the United Kingdom of the services of accepting advertisements for publication in specialist magazines intended for campers, climbers and walkers. The aim is to determine whether a monopoly situation exists, and if so, whether it is against the public interest.

The investigation covers the refusal to supply the reference services to persons who wish to place advertisements containing information about the price of goods and services advertised.

The Commission has nine months in which to report. If you would like to offer evidence, please write to:
The Secretary,
Monopolies and Mergers Commission,
New Court,
48 Carey Street,
London WC2A 2JT.

CLASSIFIED ADVERTISEMENT RATES

	Per line (min. 3 lines) £	Single column cm (min. 3 cms) £
Appointments	12.50	43.00
Commercial and Commercial Prop.	12.00	41.00
Residential Prop.	9.50	32.[illegible]
Business Opportunities	13.00	44.00
Business For Sale/Wanted	12.00	41.00
Personal	9.50	32.00
Motor Cars, Travel	9.50	32.00
Contracts, Tenders	12.00	41.00
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Classified Advertisement Manager
Financial Times
10 Cannon Street, EC4P 4BY

LAW

Confronting the white-collar offender

Concluding his series on West Germany, A. H. Hermann, Legal Correspondent, reports changes made in procedure and penal code to contain White-collar crime and decriminalise petty offences.

THE Serious Fraud Office, which will be established under the Criminal Justice Act passed yesterday, signals the inception in the UK of a development which in West Germany started some 17 years ago, and led not only to a specialised prosecution service and specialised "economic" benches of criminal courts, but also to two important revisions of the Penal Code, first in 1976 and then in 1986.

In the late 1960s when some of the regional prosecutors' offices started to employ graduates from business schools, accountants, and other experts. In 1971 a law was passed creating in some of the regional courts specialised benches for dealing with economic crime.

The institutional change brought in its wake the necessity to define better the type of crime which should be allocated to the specialised benches, which consist of three career judges and two lay assessors with business experience. This led to the first Law on Combating of Economic Crime, passed in 1976. In the following 10 years, many new types of economic crime gained importance and were taken into account by the second law which came into force on August 1 1986.

The most notorious trials of economic crime, the Flick affair, concerned party political donations, involving leading politicians. These spectacular trials are conducted with a thoroughness and slowness which cannot be taken for typical.

Less political cases must be dealt with faster as otherwise the courts would be jammed by the load. Its magnitude is indicated by the official report that in 1984 alone, the damage caused by offences investigated in that year by the special prosecutors amounted to DM 5.7bn.

WEST GERMANY

Tax evasion: Large enterprises are visited every third year by tax inspectors who stay for one or two years, scrutinising the accounts on a continuous basis so that nothing of importance escapes their attention. For middle-sized enterprises these visits are less frequent and the inspection is random rather than continuous. Small enterprises are inspected only if there is suspicion of tax evasion. There is no room for "legal" tax avoidance: artificial arangements for reducing tax liability are declared to be an "abuse of the law" by section 42 of the *Abgabeordnung*. The tax moral of enterprises is said to be fairly high.

Still, the tax evasion detected in 1985 amounted to DM 791m. In that year prison sentences for tax evasion reached a total of 953 years, and fines DM 67m. In addition, fines imposed for "negligent" tax returns amounted to DM 12m. The battle between the taxpayers and the revenue authorities is raging on a very wide front. Though most appeals are settled, about 60,000 each year reach the specialised Finance Court which now have a backlog of 90,000 cases.

The lump: Despite this activity, vast sums in taxes and health insurance contributions —estimated at between DM 2bn and DM 8bn—remain unpaid by foreign workers, who arrived illegally and are not registered and by "moonlighters" or unemployed.

To facilitate the prosecution —particularly when the "lump" is organised by illegal firms hiring workers and leasing them to employers—the 1986 Act integrates into section 260 of the criminal code various provisions of social security legislation. Even the illegal firms organising and leasing workers are now liable for social security contributions.

Computer Crime: The most radical innovations of the 1986 Act define new offences made possible by the electronic processing and storage of data. While the classical defintion of fraud concerned only acts done between people, it is now extended to embrace also causing a computer to make errors. To achieve financial advantage for oneself or another by manipulation of a computer programme or by feeding a computer with incorrect data is defined as computer fraud punishable by up to five years in prison or, under aggravating circumstances, by up to 10 years.

The protection of paper documents has been extended to electronic records, their falsification now attracts a fine, or a prison sentence of up to five years.

The legislation creates a new offence of computer sabotage: the distortion or elimination of data, for example by the incorporation of a fault in the programme, will attract a sentence of up to five years.

Hacking—the obtaining of an unauthorised access to computers—can lead to imprisonment for up to three years if the purpose was to uncover business secrets. A greater protection against industrial espionage—not only of the computer type—applies also to employees. In future it will not be necessary to prove that the secrets were actually used or sold by the business spy. The protection of business and industrial secrets was further expanded by making it a punishable offence for third persons to make use of secrets originally obtained without authorisation. While in the past industrial espionage could be prosecuted only at the request of the victim, in the future its prosecution will be possible also in the public interest, without waiting for the victim's proposal.

Financial services: Several of the new offences are parallel to the provisions of UK's Financial Services Act. The suppression of unfavourable facts or the inclusion of untrue favourable facts in prospectuses and other investment offers can be punished by fines or prison for up to three years, and no proof will be required that the investors actually suffered a loss. German law has always treated options, futures and other differential deals as gambling. The obligations from such deals are not enforceable against private individuals who are not registered as merchants. The incitement to such "speculation" on German bourses has long been a punishable offence —this has now been extended to incitement to speculate on foreign bourses or stock exchanges. The offence is committed also when inexperienced investors are encouraged to speculative deals conducted over the counter—outside the stock exchange.

Other provisions of the 1986 Act are aimed against pyramid selling, falsification of eurocheques and abuse of cheques and credit cards.

Decriminalisation: The operation of this very comprehensive system for combating serious business crime has been made possible by relieving prosecution, courts and prisons of the burden of petty crime. A ticket fine by police is no longer considered a criminal penalty but only a "warning fine." However, all tickets are followed up and there is a central recording of motoring fines with points added up. The aim seems to be a completely automated detection and penalising of speeding offences achieved by means of video cameras linked by a computer network.

Not only motoring offences but also other petty crimes including drunkenness, shoplifting, leaving a restaurant without payment, travelling without a ticket can now be dealt with immediately on detection by a flat fine of DM 40 which can be either complied with or appealed against within 14 days. Such decriminalisation of petty offences has been suggested before as a cure for UK's over-taxed courts and overcrowded prisons. Perhaps Mr Douglas Hurd, the Home Secretary, will send someone to Germany to have a look at how it is being done.

Previous articles in the West German series appeared on February 26 (banking), March 5 (mergers, March 12 (legal profession), March 19 (doubts about EEC law) and March 26 (insurance).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1980=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unemployed	Vacs.
1985							
3rd qtr.	108.3	103.9	104	116.1	145.2	3,124	164.4
4th qtr.	108.4	103.6	106	116.7	177.7	3,122	168.2
1986							
1st qtr.	109.1	102.5	105	118.2	145.4	3,171	168.5
2nd qtr.	109.3	103.5	104	120.0	152.7	3,208	175.6
3rd qtr.	110.6	104.6	106	122.1	157.4	3,212	200.2
4th qtr.	109.6	106.0	112	124.8	192.5	3,143	213.0
July	110.2	104.5	102	120.9	158.2	3,223	193.2
August	111.1	104.2	105	122.0	155.2	3,219	201.1
September	110.6	105.1	109	123.2	158.7	3,193	206.4
October	110.0	105.5	107	123.2	164.7	3,166	212.8
November	110.1	106.1	108	126.4	182.1	3,145	215.2
December	109.4	106.3	121	125.0	223.2	3,119	210.0
1987							
January	109.8	103.9		122.3	157.4	3,118	210.3
February				125.0		3,074	207.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1985							
4th qtr.	103.7	102.7	113.5	103.2	114.0	102.4	15.6
1986							
1st qtr.	103.0	101.2	115.4	101.4	110.2	102.7	14.2
2nd qtr.	104.5	100.5	115.4	102.0	110.0	103.5	19.8
3rd qtr.	105.8	101.1	117.2	103.0	107.6	101.8	18.9
4th qtr.	106.6	102.1	115.0	104.9	115.7	101.9	15.87
July	105.4	101.3	116.5	103.0	109.0	101.0	20.8
August	106.1	100.1	118.5	102.0	107.0	103.0	16.6
September	106.0	101.8	116.7	104.0	107.0	102.0	19.4
October	105.7	102.3	115.7	104.0	113.0	103.0	19.8
November	107.8	101.7	115.2	105.0	117.0	103.0	17.2
December	106.2	102.2	114.2	106.0	118.0	100.0	10.6
1987							
January	105.8	100.7	116.0	104.0	110.0	100.0	11.6

EXTERNAL TRADE—Indices of export and import volume (1980=100); viable balance; current balance (£m); oil balance (£m); terms of trade (1980=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn*
1985							
4th qtr.	119.6	128.0	−171	+725	+1,984	101.6	15.54
1986							
1st qtr.	117.5	124.9	−1,227	+682	+1,389	101.0	18.75
2nd qtr.	121.9	128.8	−1,551	− 94	+772	102.6	19.29
3rd qtr.	122.6	138.5	−2,873	−931	+646	103.1	20.14
4th qtr.	130.5	143.4	−2,602	−756	+846	100.8	21.97
August	115.9	139.9	−1,383	−735	+159	103.8	18.93
September	126.2	139.2	−831	−184	+258	102.3	22.43
October	127.8	139.6	−715	−190	+226	101.5	21.99
November	132.8	146.7	−1,090	−384	+354	100.9	22.01
December	131.6	143.9	−887	−272	+266	100.1	21.92
1987							
January	125.0	130.9	−527	+ 73	+371	100.2	21.95
February	137.8	137.5	−224	+376	+326	98.4	22.26

FINANCIAL—Money supply M0, M1 and sterling M3 (three months' growth at annual rate), bank sterling lending to private sector; building societies' net inflow; HP†, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank lending £m	BS inflow £m	HP lending† £m	Base rate %
1985							
4th qtr.	2.9	17.0	12.9	+5,378	2,299	3,436	11.50
1986							
1st qtr.	4.1	21.4	19.2	+6,202	2,229	7,275	11.50
2nd qtr.	3.1	25.9	27.3	+6,455	1,432	7,739	10.00
3rd qtr.	5.9	30.2	15.4	+6,949	168	8,223	10.00
4th qtr.	7.6	15.3	14.1	+10,545	2,814	8,178	11.00
August	5.7	22.0	8.2	+2,752	452	2,668	10.00
September	6.6	34.2	17.8	+881	−671	2,870	10.00
October	6.3	19.1	14.5	+3,539	1,951	2,758	11.00
November	6.4	28.4	19.0	+3,847	160	2,635	11.00
December	10.1	0.6	9.1	+3,168	793	2,784	11.00
1987							
January	7.7	17.7	12.8	+1,697	458	2,664	11.00
February	9.1	10.2	17.1	+2,912	472		11.00
March							10.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (Jan 1974=100); Reuters commodity index (Sept 1931=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	Reuters* cmdty.	Sterling
1985							
4th qtr.	176.9	132.6	141.4	378.1	337.4	1,771	79.8
1986							
1st qtr.	179.1	132.4	143.4	380.5	342.3	1,813	75.1
2nd qtr.	184.0	125.8	145.7	385.7	349.5	1,458	76.1
3rd qtr.	187.4	120.6	146.3	386.1	348.1	1,544	71.9
4th qtr.	191.0	127.4	147.4	391.0	348.2	1,637	68.2
August	187.2	120.3	146.2	385.9	348.6	1,461	71.4
September	186.5	122.4	146.7	387.8	348.2	1,544	70.4
October	188.3	124.3	147.0	388.4	347.6	1,600	67.8
November	191.2	127.5	147.4	391.7	347.5	1,617	68.5
December	195.4	130.4	147.9	393.0	349.5	1,637	68.4
1987							
January	190.4	131.8	148.8	394.5	354.0	1,694	68.8
February		129.5	149.3	396.1		1,586	69.0
March						1,541	71.9

* Not seasonally adjusted.

† From January 1986 includes amounts outstanding on credit cards.

Part nine: **Ian Davidson** finds that behind the rhetoric, foreign policy under Mrs Thatcher has undergone a pro-European transformation

Snapshots from the album: clockwise from top left, the Falklands War; the "special relationship"; independence for Mr Mugabe's Zimbabwe; Eurosummits and the start of the Gorbachev era.

The unavoidable connection

IT IS TEMPTING to equate British foreign policy during the Thatcher years with the combative personality and nationalistic instincts of the Prime Minister. It is tempting and it is natural, because her most spectacular, most personally characteristic foreign policy actions have been combative and nationalistic.

But however tempting and natural, this may be a mistaken reading. Historians may conclude that, against all Mrs Thatcher's personal instincts, this was the period when Britain finally started to become a creative and a co-operative contributor to the construction of a more united Europe.

Even this may be too Anglo-centric a way of putting it, as if it were primarily a question of Britain making a free choice between various policy alternatives and deciding, on reflection, to balance traditional Atlanticism with a touch more Europeanism. The reality may be less flattering.

In a world of superpowers and nuclear weapons, middle-sized European powers have little alternative but to combine their strengths in all fields. The incentive to do so has become particularly strong when one superpower is led by President Ronald Reagan, and the other by General Secretary Mikhail Gorbachev. Mrs Thatcher's natural instinct, no doubt, remains profoundly Atlanticist, not naturally sympathetic either to Europeans, who speak foreign languages, or to the froth of Euro-idealism. But in practice, her Government has steadily and inexorably strengthened its ties with continental Europe.

Nor is this solely or even primarily a British phenomenon. One of the central themes of the 1980s, on the international stage, has been the impressive revival, after many years of stagnation, of the idea of a stronger and more integrated Europe.

In other words, the significant aspects of Britain's foreign policy during the Thatcher years may be essentially part of a collective European narrative; whereas what most people think of as the typically *Thatcherite* aspects of British foreign policy may turn out to be accidental and ephemeral.

The newpaper headlines, of course, tell a different story, at least during the first five years of the Thatcher era.

On the other hand, there was the long-drawn-out quarrel between Mrs Thatcher and the other heads of government, at repeated European summits, over the unfairness of Britain's contributions to the European Community budget, with the Prime Minister implacably demanding "her" money back. After five years of battering, she finally wore them down and, at the Fontainebleau summit of June 1984, secured a settlement which was relatively favourable and long-term.

On the other, there was the nationalistic glory of the defeat of Argentina in the Falklands War of 1982 which had all the ingredients to slake the most jingoistic fever: a distant and dictatorial foe, a far-flung possession, an improvised armada, heroic suffering and a triumphantly professional combined-arms action leading to rapid and total victory.

These were the events which gave Mrs Thatcher her reputation at home and abroad as the Iron Lady; and it was the Falklands War which rebuilt her domestic political credibility and helped her to victory in her second general election in 1983.

Yet even if these episodes of conflict and victory were aptly expressive of the pronounced strengths and weaknesses of Mrs Thatcher's personality, they have not in practice proved characteristic of her Government's more recent foreign policy. On the contrary, hindsight suggests that both the EEC budget wrangle and the Falklands War were delayed convulsions, properly belonging to unresolved problems of an earlier period.

Undoubtedly, Britain's European Community budget problems was a long-standing irritant, which had been tinkered with by Edward Heath and Harold Wilson without being satisfactorily settled.

By the time Mrs Thatcher inherited the problem, she had little option but to make a fight of it. Moreover, a quarrel with Brussels about money came easily to her in 1979, when she knew little about the Community and cared less.

In any case, she was the first British Prime Minister in a position to make a real fight, because the Community was beginning to run out of money and would not be able to raise more without British agreement.

Similar considerations apply to the Falklands War, which really belongs with Rhodesia, Hong Kong and South Africa as part of the residue of empire. In the first two cases, her initial instincts were misguided, probably through ignorance, but her second thoughts proved much sounder.

She came to power in 1979 poised to recognise, and thus legitimise, the internal settlement of Bishop Abel Muzorewa; she was only just persuaded, by the African leaders of the Commonwealth to hold the constitutional conference which quickly led to Zimbabwean independence.

Buoyed by the Falklands victory, she briefly flirted with a policy of toughness on the future of Hong Kong, before being persuaded that, in dealing with China, toughness was simply not a realistic option. She quickly agreed to negotiations with Peking, which led in 1984 to an agreement which, on paper at least, gave much more favourable guarantees for the long-term future of Hong Kong than the British Government had any right to expect.

Verdicts differ on the Falklands War. For some it was so anachronistic, so morally offensive, that it should never have been fought; for others, it was a regrettable duty which was vindicated by victory. On one point there can be no reasonable dissent, however: despite the servile whitewash of the Franks Report. Mrs Thatcher's Government had been culpably negligent in leaving the islands open to an Argentine invasion.

For years British governments had talked with the Argentines about the Falklands problem. This was a tail-end of empire which should have been dealt with politically, if Mrs Thatcher had really been an Iron Lady; this was a war which should never have happened, and in all probability the problem will remain in limbo until some future prime minister comes along.

South Africa remains the big unresolved residue of empire. Ostensibly, Mrs Thatcher's Government is committed to the

abolition of apartheid. Yet the passion with which, in 1985 and 1986, she converted the probability that economic sanctions would not lead to the abolition of apartheid into the certainty that they could have no effect at all, made it difficult to discard entirely the suspicion of sympathy with Afrikanerdom. Predictably, her passion failed to prevent the European Community and the Commonwealth agreeing economic sanctions.

By contrast, the 1984 Fontainebleau summit was a turning point in Britain's relations with the European Community, the end of a quarrel which could not have been avoided and the start of a more constructive relationship. The budgetary settlement was what hit the headlines; but perhaps even more significant was the paper circulated in advance of the meeting very discreetly by Britain to the other heads of government, entitled Europe—The Future.

This asserted a more far-reaching vision of Europe than anyone could have suspected of a government led by Mrs Thatcher. "The US will remain central to European security and the management of East-West relations, and no less so in the management of the problems of the world economy and trade. Our task must be to ensure that Europe plays no less central a role, in all those respects."

Or again: "In political co-operation, the Ten need to act with more vigour and greater purpose . . . The objective should be the progressive attainment of a common external policy." Or again: "Our objective must be to strengthen the European pillar of the Alliance and improve European defence co-operation."

It took some time for this overture to be accepted; the prose was noted and admired, but five years of conflict with Mrs Thatcher had left bruises which took time to heal, and which may perhaps be only finally healing now. What the extracts make clear is not merely that the British Government saw in the process of European integration a political and security significance going far beyond the formal economic competences laid down in the Rome Treaty, but that it actually welcomed this wider political role.

In one sense this was not a surprise; Britain had been an enthusiastic participant in foreign policy co-ordination from the beginning. But in another sense, the British Fontainebleau paper has to be seen as a response to the anxieties of the day and the sharpened sense of Europe's vulnerability and dependence.

Consider the circumstances of mid-1984. For over two years Europe had been shaken by the Euro-missile crisis and the threatening propaganda from the Soviet Union—not to mention the heavy anti-Soviet propaganda which had come from the Reagan White House.

At the end of 1983, the first Euro-missiles had started to be deployed in Europe and the Russians had walked out of all arms control talks in Geneva. By the middle of 1984, the Europeans were at last starting to take seriously President Reagan's Star Wars anti-missile defence programme, which threatened the survival of arms control agreements negotiated in the early 1970s.

So it was no accident that June 1984 was marked not only by the Fontainebleau summit, but also by the first ministerial meeting of Western European Union (WEU) for 11 years, followed four months later by a formal agreement to reactivate the organisation with regular ministerial meetings.

In other words, Britain's peace overtures at Fontainebleau were motivated by a sense, shared elsewhere in Europe to varying degrees, that the international environment was worrying and that Europe needed to pull itself together.

In practice, of course, European governments did not automatically agree on what needed to be done. Since very early on in his presidency, Mr Mitterrand had moved to strengthen French defence co-operation with West Germany; France was one of the early advocates of the revival of WEU. Yet neither innovation seemed to deliver what the French had hoped and they now appear disenchanted with their strategic overtures towards West Germany.

By contrast, the British Government sanctimoniously continued to give top priority to its full membership of Nato and what remained of the Special Relationship with Washington. It was initially sceptical of the attempt to revive WEU, and almost contemptuous of the French plan to answer Star Wars with a European civilian hi-tech R and D programme, Eureka.

Similarly, though the European governments share reservations about the strategic implications of Star Wars, they have responded differently. France has rudely condemned it. The British Government, apart from one critical speech by Sir Geoffrey Howe in March 1985 (which Mrs Thatcher hated), has tried discreetly to steer President Reagan away from doing anything damaging.

Given this early disarray, it is all the more impressive to see how far the European countries have gone in harmonising their political views. No-one today any longer questions the utility of WEU; the Community's Single European Act gives explicit support to the idea of political co-operation on security matters; Eureka has been turned into a sensible if unspectacular R and D programme; and so on.

The newest development, and perhaps the most significant, is the opening up of defence co-operation between France and Britain, including nuclear matters. The importance of this development is not that it will lead to any spectacular decisions in the short term, but that both governments now recognise that their historic differences are insignificant compared with their common interests.

Mrs Thatcher has increasingly made a point, when dealing with the US, of at least being fully briefed on the views of the leading European countries, especially France and West Germany. At the end of 1984, she went to Camp David and secured from President Reagan a four-point agreement which appeared to contain Star Wars within safe limits. She went again to Camp David after last year's Reykjavik summit in search of reassurances that the President would drop his vision of a nuclear-free world. In the same way, she made sure of knowing the views of President Mitterrand and Chancellor Kohl before setting off for Moscow.

One must not overstate the case, of course. At her age, Mrs Thatcher is hardly likely to shed her paradial outlook. Despite her determination in 1985 not to be isolated in the negotiations on a reform and up-dating of the Rome Treaty (The Single European Act), she could not resist the temptation to pour scorn on the utopian visions of some of the other governments.

Similarly, in 1987 she remains just as determined to cut back on R and D spending in the Community, as in Britain. She also continues to insist, against persuasive advice from colleagues, that Britain remains outside the Community's exchange rate mechanism. Mrs Thatcher could never become an ardent European; all her natural affinities lie on the other side of the Atlantic.

Nevertheless, there is no mistaking that the underlying current of British foreign policy during the Thatcher years has been strongly in the direction of Europe. Mrs Thatcher remains instinctively more sceptical than the bulk of the foreign policy elite. But that elite has, in the past few years, undergone something of a pro-European transformation, under the influence of outside events.

Seen from pre-election Britain, these may have been The Thatcher Years; seen from a less insular perspective, these have been The Reagan Years, and they are being joined by The Gorbachev Years; which is why Britain's increasing attachment to Europe is not just desirable or sensible, but unavoidable.

Tomorrow: Joe Rogaly on local government.

Ralph Atkins, at 21 one of the FT's newer recruits, finds it hard to remember any prime minister other than Mrs Thatcher

Atkins: Shadow of Thatcher has hung over my life.

I WAS a newspaper delivery boy the morning Mrs Thatcher moved into 10 Downing Street.

I remember her predecessor only slightly—a kindly old man called Mr Callaghan who appeared on television the night before the election. He sat in a comfortable-looking chair in a cosy sitting room at No 10.

He was the one the cartoonists drew naked and denying there was a crisis. What crisis? I remember what crisis.

We had major industrial disputes every day then. And not the sort of industrial dispute you get now where everybody knows the unions will end up crawling back to work after gaining little, if anything.

Inflation was a real threat

too—a bit like AIDS today. And there was nothing the Prime Minister could do about it.

Before Mr Callaghan there was someone called Mr Wilson who smoked a pipe and resigned because he wanted to take his dog for a walk.

My 14-year-old perception of Mrs Thatcher, nurtured by the tabloid newspapers I delivered, was that she was someone who would get things done. Quite what she would get done I didn't know but at least she wasn't the sort who sat around in armchairs or smoked a pipe.

To newspaper boys Mrs Thatcher was a well-presented politician; the Labour Party, on the other hand, meant old men in string vests and jackets that didn't fit.

But my honeymoon with Mrs Thatcher didn't last long.

Between my 14th and 18th birthdays, unemployment increased by about 2m.

I took my O levels in 1981 aged 16 and watched some of my friends leave school and try to find work. That same summer, riots fuelled by the frustration of unemployment swept from inner city to inner city.

Mrs Thatcher, in my mind, came to symbolise cuts, greed and aggression.

In the Labour Party the genteel Mr Callaghan was replaced by Mr Foot, a scarecrow of a politician who, although impressive in long, thoughtful and usually reflective, speeches, came over on television, where his orations were given only 30 seconds or so, as someone who . . . so it seemed . . . was so cluttered in his mind with subclauses and qualifications . . . that you weren't quite sure of the point he was trying to make.

The Falklands war was a turning point in my perception of Mrs Thatcher. She was compared with Churchill. She was dubbed the Iron Maiden. She seemed to want to climb above the shoulders of her colleagues and the electorate — like a Roman emperor seeking deification.

She became distant. She stood on the steps of No 10 and refused to answer journalists' questions about a victory in the Falklands. She simply demanded that we "rejoice."

I started at university in 1983, shortly after Mrs Thatcher returned to power with an increased majority. But politics at university was a disappointment. My student days were characterised by apathy.

I—someone who studied politics as part of his degree—went on just one protest march. "Thatcher, Thatcher, Thatcher. Out, Out, Out," we chanted but the march broke up early because people didn't want to miss their lectures.

What happened to the infamous student protests of the 1960s? Why was my generation of students so smug and happy to work hard for degrees and talk seriously about careers?

My explanation is two-fold. First, Mrs Thatcher taught us that to be successful you have to think of yourself and compete against the rest. Second, there seemed to be no alternative to Thatcher. A succession of politicians of all parties came to address us—but not one inspired me to say he spoke of something that was worth fighting for.

The shadow of Mrs Thatcher has hung over my life. Thatcher past. Thatcher present. And probably Thatcher future.

INTERNATIONAL APPOINTMENTS

Co-chief executive picked by Hambrecht and Quist

BY LOUISE KEHOE IN SAN FRANCISCO

HAMBRECHT AND QUIST, the San Francisco-based venture capital and investment banking concern has announced that Mr Gordon S. Macklin, president of the National Association of Security Dealers is to join the company as chairman and co-chief executive in July.

Mr Macklin is to succeed Mr Q. T. Wiles, who has been chairman since 1982, and will share the chief executive's tasks with Mr William Hambrecht, one of the founders of the company.

Hambrecht and Quist, best known for its venture capital investments in high technology start-up companies, is also a major underwriter of initial public offerings.

"At NASD, Mr Macklin helped to introduce many innovations including the automated quotations system (NASDAQ) that brought order to the over the counter market," says Mr William Hambrecht.

Mr Gordon S. Macklin: takes a top investment job.

"His addition to our firm is a natural fit. For the past 19 years, Hambrecht and Quist has been identifying and investing in emerging growth companies, while Nasdaq has been providing them with a market."

At Hambrecht and Quist, Mr Macklin will be heavily involved in the company's broker-dealer operations, investment banking and sales and trading.

*

NORDBANKEN, Sweden's fifth-largest commercial bank, has appointed Mr Rune Bareneus managing director, in succession to Mr Erik Ehn, who is to leave the post on June 1, reports AP-DJ from Stockholm.

Mr Ehn, who becomes working vice chairman of the bank, had agreed to step down as managing director on reaching the age of 60, when he took up the position in 1976. He turns 60 in December.

Mr Bareneus is head of the company division of Post-Och Kreditbanken.

Nixdorf makes expansionary move

BY ANDREW FISHER IN FRANKFURT

NIXDORF, the fast-growing West German computer company, has promoted Mr Sven Kado, 48, to deputy executive director with responsibility for all financial operations and purchasing.

The move looks to the expected expansion of the Paderborn-based company, which increased sales last year by 15 per cent to DM 4.5bn ($2.5bn) and net income at a faster rate.

Mr Kado, who has been with Nixdorf since 1984, and was previously in charge of financial planning and purchasing, will relieve Mr Klaus Luft, the chairman, of much of the task of looking after its increasingly complex finances.

Mr Luft said earlier this year that Nixdorf intended to keep up a growth rate that was above the industry average. To help finance expansion, it has tapped the German stock markets for nearly DM 2bn in the past three years.

Top change in French insurance

By George Graham in Paris

MR JEAN DROMER, 58, president of the CIC banking group, has been nominated to the board of Union des Assurances de Paris (UAP), France's largest insurance company, and is expected to be confirmed soon as the company's next president.

Mr Dromer's appointment as head of the state-controlled UAP may be announced following the Council of Ministers meeting today.

The change will follow the retirement of Mrs Yvette Chassagne, who took over as president of UAP under the last Socialist Government and who passed the mandatory retirement age of 65 last month.

The new president, like Mrs Chassagne, comes from the cradle of France's administrative elite, passing through the Ecole Nationale d'Administration and the Finance Ministry. He left the Civil Service at a relatively young age, however, to join Banque Nationale de Paris.

The loss of Mr Dromer, mid-way through the reorganisation he has undertaken at CIC, leaves further doubts over the future of CIC. The problems that Mr Dromer took over last year at CIC will have to be tackled again by his successor, at a time when the reorganisation plan drawn up by Mr Dromer has not taken full effect.

New departure for Swiss finance star

BY JOHN WICKS IN ZURICH

THE APPOINTMENT of Mr Leslie G. Merszei as chairman of Axis Trust, the Swiss portfolio manufacturing company in which Britannia Arrow of the UK has lately acquired a majority shareholding, marks a new departure for one of the bright young men of the Zurich financial world.

Mr Merszei, a 38-year-old Canadian, came to Europe in 1971 as marketing manager of the Zurich-based Dow Banking Corporation. Two years later, he took over as manager of the bank's London branch.

He moved back to Switzerland in 1975 and, first as executive vice-president and subsequently as president/chief executive officer, was instrumental in building up the operation into one of the country's best-known foreign banks.

In 1983 he was the man behind the large-scale restructuring programme aimed at developing international non-interest business, setting up and heading Dow Financial Services with offices in London.

A further major change came last year, when Dow Chemical sold its majority shareholding to the Royal Trust group of Toronto. Mr Merszei was instrumental in seeing this transaction through and for some months headed Royal Trust International, also in London.

When he unexpectedly left the Canadian group, there was much speculation as to his next move. This took place some weeks ago when he and Mr Hans-Peter John, another former Royal Trust International executive, took over the former Robafin Ag, a portfolio-management company which had been founded in Zurich in 1984.

This week it was announced that Brittania Arrow, the British finance company had taken over 51 per cent of the shares and 49 per cent of the voting rights of this company, which had been re-named Axis Trust, at a price of SwFr 10.3m (US$6.7m).

The transaction could turn out to be a major new departure for Mr Merszei. Apart from his position as chairman of Axis Trust, he has been appointed to the management of MIM-Brittania, a Britannia-Arrow subsidiary which manages assets of over £15bn ($9.5bn).

He and Mr John are to "advise" Britannia Arrow on its future European activities, while the Zurich company is planned to "grow substantially" with suport from the London shareholder.

The Axis Trust could become important in another way, too. Word has it that the company will in time apply for a banking licence in Switzerland.

Accountancy Appointments

Accountancy Appointments

SENIOR FINANCIAL MANAGERS

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Leicester

This autonomous and highly commercial subsidiary of a substantial UK Group has a record of considerable growth and increasing profitability. *This has resulted in the need to* recruit two senior managers to head up the finance function in its two major operations.

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c.£30,000 + Car

This position will have full responsibility for the financial management and administrative affairs of the company's biggest operating interest. *This will include directing the use of* information technology in enhancing accounting and operating controls throughout *the network of branches and head office. First* class man-management skills are essential to successfully lead and motivate a staff of over 100, working through functional managers. A strong commercial contribution is also required to assist the managing director in business planning, and the evaluation of specific projects and business ideas. Ref: 6092/5.

FINANCIAL CONTROLLER

c.£25,000 + Car

The company's leasing division requires a strong, *technically skilled financial controller to* ensure the smooth running of a complex operation through strict accounting and *procedural controls. An initial emphasis will be* placed on the development of practical accounting policies and the enhancement of *computerised management information* systems. Working closely with the managing director, the appointee will also be expected to make a substantial contribution to the development of business strategy by advising on the financial implications of commercial decisions. Ref: 6092/6.

Both positions require qualified accountants, preferably graduates, with several years senior management experience in a fast moving service and market-orientated environment. The company is decentralised and highly entrepreneurial. In addition, therefore, to excellent technical ability, strong personalities, commercial flair and first class communication skills are essential. Candidates must be confident, energetic and tenacious individuals with the ability to cope with, and prioritise, a wide variety of financial and administrative issues.

The remuneration package includes a *generous car scheme plus the usual large* company benefits. Relocation expenses will be met, where appropriate.

Please write in confidence, quoting appropriate reference to Anne Routledge.

KPMG Peat Marwick McLintock

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City based

As an autonomous subsidiary within a highly renowned financial services group, our client has experienced considerable growth. Operating in the specialised market of international equities and with offices in the major financial centres of the world, they are now broadening their business base and seek to appoint a Finance Director to oversee this expansion.

Whilst strong accounting skills are essential, the person sought to undertake this demanding role should be able *to offer far more, particularly in terms of* entrepreneurial flair and an understanding of market needs. A background *in stockbroking would be a definite* advantage and it is unlikely that those under 35 will have achieved sufficient seniority for this level of appointment.

The very attractive compensation package will incorporate both salary and bonus and excellent performance could well increase the figure quoted above.

It is not often that a position at this level and offering such potential is *initiated. As independent advisors,* we will therefore fully respect the confidentiality of any initial approach *from those interested in discussing* the position further. Contact Alannah Hunt on 01-407 8989 or alternatively send relevant details or full CV quoting reference MCS/6104 to her at

Executive Selection Division
Price Waterhouse
Management Consultants
No. 1 London Bridge
London SE1 9QL

Price Waterhouse

Talented Accountants

with vision, independence and flair

The rapid growth and success of Mars Electronics has been achieved through outstanding technical innovation and marketing flair in the highly competitive world of advanced electronics. This rapidly changing business environment, the sophistication of our flexible manufacturing facility and our ambitious plans for continued growth create challenging opportunities for talented and committed Accountants able to manage change and achieve results.

Financial Planning Manager — *Up to £32K + car + benefits*

This new appointment within a small, but highly effective accounting team carries responsibility for the development and success of the financial planning function and influencing the strategic direction of the company. This will require liaison with a wide range of staff, regular inter-face with our US sister company and the continued development of our planning systems.

We seek a graduate Accountant, or possibly MBA, with skills in financial planning techniques coupled with the energy and independence of mind to succeed in a highly visible role. Experience of the electronics industry would be ideal, but more important will be a strong commercial drive and the vision to ensure a significant personal impact on our future. Ref AYS 170.

Financial Accountant — *Up to £24K + benefits*

Responsible for the preparation of the period accounts of the company including consolidation of its foreign branches. The job also includes statutory and group reporting, audit and bank liaison and involvement in the foreign exchange markets operating the company's forward exchange coverage scheme.

This high profile role has wide-ranging contacts throughout the company and the Mars Group. The successful applicant will also have a "client support" role through which he or she will be expected to influence senior management in the efficient use of resources.

We seek a technically excellent, qualified accountant with well developed communication skills and the potential for rapid advancement. Ref BYS 170.

In addition to starting salaries as indicated, we offer a comprehensive non-contributory benefits package. Career opportunities within the worldwide Mars Corporation are outstanding.

MARS ELECTRONICS

Austin Knight Selection has been retained to advise on these appointments. For an informal discussion please telephone Sarah Hornby on 0784 39103 (day) or 04862 73787 (evenings/weekends). Alternatively, send full career details to her at Austin Knight Selection, Knightway House, Band Lane, Egham, Surrey TW20 9NX, quoting the appropriate reference.

Financial General Management

NEM Insurance Group seeks to appoint a professionally qualified financial executive as a key member of the general management team.

To satisfy the requirements of the appointment, the candidate will need to possess managerial and financial skills of the highest order. It will therefore be necessary to offer evidence of success to date in a senior financial management role—not necessarily within insurance—coupled with well developed skill in staff leadership, motivation and communication.

The preferred age range is 40-45, and it is felt that candidates currently earning less than £30,000 p.a. are unlikely to have gained the breadth of experience necessary for the appointment.

Application forms, accompanied by more information on the appointment, may be obtained from
Mr. D. J. W. Dolton, National Employers' Mutual General Insurance Association Ltd., NEM House, Station Road, Swindon, Wiltshire SN1 1DF
Tel: (0793) 40292.

Financial Controller

Yorkshire — to £25,000

We are looking for a high calibre qualified accountant for a very successful financial services organisation based in a prestige part of Yorkshire.

Our client's business is growing at a dynamic rate. The Financial Controller will be responsible for all aspects of the accounting function and will be part of the senior management team.

Applicants, ideally aged 30-40, should have gained experience in a financial services environment particularly with unit-linked business, be commercially minded and have a sound knowledge of computer systems.

The attractive remuneration package includes a car, a subsidised mortgage, a pension and life assurance scheme, health insurance and relocation expenses.

If you are interested, telephone Andrew Nicholson FCA or Stuart Adamson FCA on 0532 451212 or send your CV to Adamson and Partners Limited, 10 Lisbon Square, Leeds LS1 4LY.

ADAMSON & PARTNERS LTD.

Executive Search and Selection

Senior Business Analyst

Acquisitions-Business Growth Planning

Age 25-29 — **Package c.£20-26,000 + car**

The role which we are currently seeking to fill offers a unique opportunity for a young high calibre Accountant and/or MBA to play an important part in the strategic planning of a *growing and profitable U.K. Plc.*

Our client, operating in a service sector of f.m.c.g. has over the last few years achieved excellent results and is now seeking to build on that success by acquisition and organic growth. The successful candidate will have acquired acquisition or related experience either within the Profession or within a progressive commercial or industrial environment.

Operating as a key member of the Strategic Planning department, the Senior Business Analyst will identify and appraise the financial and commercial benefits of business opportunities.

High level analytical skills, the ability to work quickly and efficiently under time pressure yet *demonstrate mature* commercial judgements and acumen are essential qualities.

Initiative, good communication skills and a high level of technical understanding of business finance will be necessary in order to handle successfully the relationships with external *professional advisors and steer projects through to* implementation.

The position, based in the Thames Valley is easily accessible to individuals currently living in Central or West London, although relocation assistance will be provided if required. Some international travel is anticipated. The company has an excellent record for career development and this role will provide considerable scope for a wide variety of promotional opportunities.

In addition to the initial salary (dependent on experience and track record) attractive benefits including car, bonus scheme and private health are offered.

Interested? Please call Karen Wilson B.A., A.C.M.A. on (01) 439 6911 or write to her enclosing your c.v. and a note of current salary to: Financial Management Selection, 21 Cork Street, London, W1X 1HB.

Financial Management Selection

Specialist Search and Selection Consultants

ASSISTANT MANAGING DIRECTOR

London

Goddard & Gibbs Studios Ltd, founded in 1868, is a growing market leader in stained glass windows and decorative glass. Approximately 60% of the profitable turnover is overseas; the company was awarded **The Queen's Award for Export Achievement in 1984.**

The Board now wishes to appoint an Assistant Managing Director. In addition to sharing, with the Managing Director, the overall direction and diversification of the company, he or she will be responsible for production, finance and administration, together with some support for an associated company. *We seek an accountant with small company* experience in batch production or construction. Some artistic flair would be valuable in this creative industry. Age 35-52.

Salary unlikely to be a limiting factor. Car. Pension. Current plans for structural development of the company could lead to exceptional benefits.

For further information and an application form please telephone Windsor (0753) 867175 (24 hrs) or write, with full details and salary aspirations, to David Mackintosh, Director – Human Resources *Division, 3i Consultants Ltd,* 8 High Street, Windsor, Berks. SL4 1LD. Please quote ref DM/656.

3i Consultants Ltd
Human Resources Division

Accountancy Appointments

Appointments Advertising

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For further information, call:
Jane Liversidge 01-248 8265
Daniel Berry 01-248 4782
Emma Cox 01-236 3769

Accountancy Appointments

FINANCIAL CONTROLLER

ATTRACTIVE AFRICAN LOCATION *GENEROUS EXPATRIATE PACKAGE*

A major international marketing organisation with offices in London is seeking to appoint a Financial Controller for secondment to an overseas operation which has a turnover in excess of £200 million. The location offers an attractive living and working environment and excellent family/social activities.

Following approximately eighteen months *induction and project management activity in London*, the successful candidate will take up the appointment as Financial Controller. Reporting to the General Manager as part of the Senior Management team, you will have *responsibility for all financial aspects*, contribute to strategic decision making and represent the Company at a senior level.

A qualified ACA or ACMA, aged 30 to 45, you will have line financial management experience, with an emphasis on costing and budgetary control. Exposure to a production environment and previous overseas experience would be advantageous. Personal qualities must include integrity, organisational ability and highly developed interpersonal skills.

It is envisaged that this will be a career appointment upon the successful completion of overseas duty.

Please reply in confidence, giving concise career, salary and personal details, quoting ref: L187, to Martin Lawless or Heather Male, Slade Consulting Group (UK) Limited, Metro House, 58 St. James's Street, London SW1A 1LD. Tel: 01-629 8070.

London · Melbourne · Sydney · Brisbane · Adelaide · Perth · Auckland · Christchurch

SLADE CONSULTING GROUP (UK)

DIRECTOR OF FINANCE

Isle of Man **c.£35,000 + car + relocation**

Our client is the Global Development Group of companies who are a private Isle of Man registered company involved in the Timeshare and Property Development sectors. Turnover in the current financial year will be about £18 million and the directors of the company have ambitious plans for growth.

The Director of Finance will be responsible for the day to day financial control of the company and for supervising the finance department. He/she will also be involved in the implementation of computerised management information and accounting systems.

Applicants will be qualified accountants, aged around 35, who can demonstrate:

- experience in a senior financial position;
- the personality to make an effective contribution to a sales orientated business;
- a capacity for hard work;
- experience of dealing with financial institutions and in handling foreign currency transactions.

Please send a comprehensive career résumé, including salary history and day time telephone number, quoting reference 2756 to J. Scarisbrick, Executive Selection Division.

Touche Ross

The Business Partners

Abbey House, 74 Mosley Street, Manchester M60 2AT. Tel: 061 228 3456.

Deputy Treasurer

London **c£30K + Car**

We are acting on behalf of a successful major UK Group whose reputation and public profile have been built around an aggressive acquisitive strategy.

A diverse conglomerate our client has a history of substantial profitable growth and is committed to further expansion.

Reporting to the Group Treasurer, this position will be responsible for developing radical proposals to provide finance, establishing sound methods for generating profit from currency positions, and to appraise and evaluate investment opportunities.

The successful applicant is likely to be aged between 30 and 35 and hold either an accounting qualification or an MBA. In addition, creativity and personality are key attributes for this high profile, high responsibility position.

If you feel you have the qualities we are seeking and are excited by the challenge offered, you should write to John Cockerill FCA, Executive Division, enclosing a comprehensive c.v. and daytime telephone number quoting ref.395 at 39-41 Parker St, London WC2B 5LH.

Michael Page Partnership

International Recruitment Consultants

London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide

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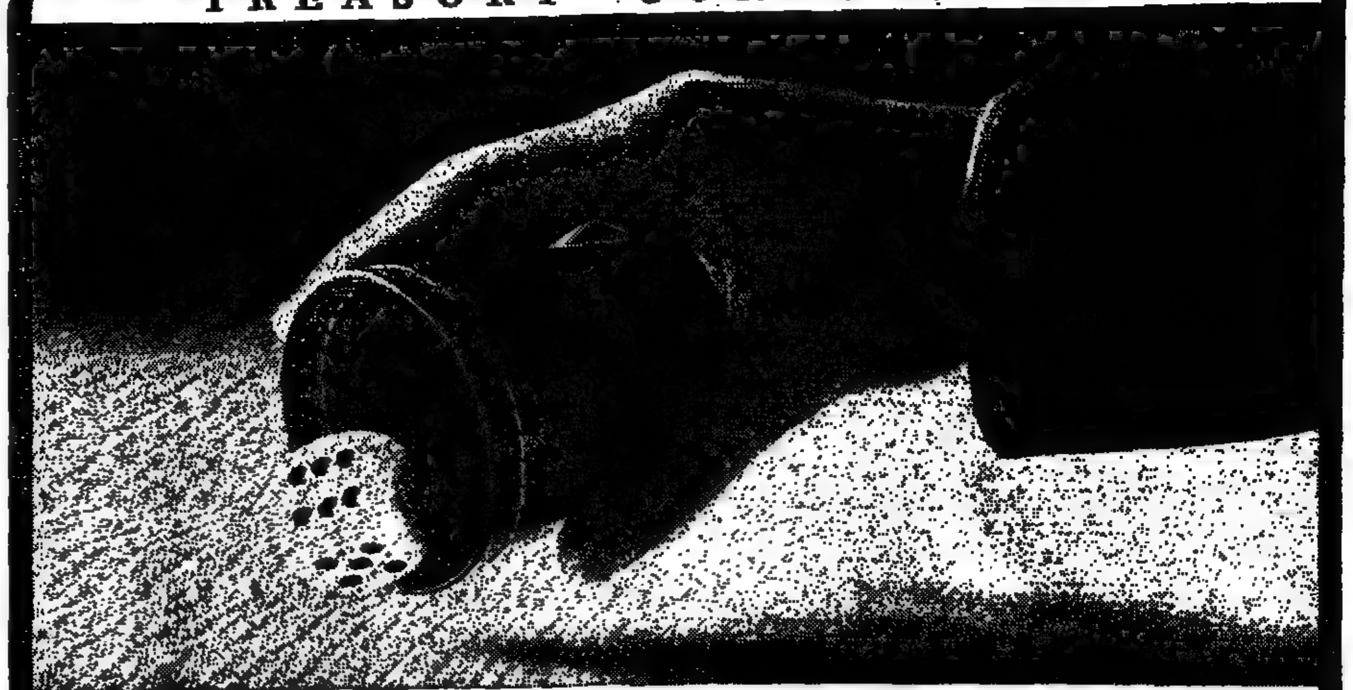
TREASURY CONSULTANCY



Maximising company resources can't be left to chance, neither can your next move

London **To £60,000**

Our client, openly acknowledged as the leading player in treasury consultancy, is seeking additional consultants because of rapid expansion.

If you have sound experience in the treasury function, gained through working in a multinational company, bank or management consultancy, then contact us.

You must be ambitious, self-motivated, but able to work within a team environment.

You should be under 35 and have the ability to advise and convince senior management on the strategic development of the treasury function, together with its implementation.

Throw the dice in your favour and send your curriculum vitae to Trevor Atkinson, F.C.A. *quoting reference 7506.*

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Leading London based investment bank requires experienced Eurobond research analysts and sales people to join a team which is well on the way to becoming the best and most respected in Europe.

If you believe you can thrive alongside some of the most outstanding performers in the world of European bond sales and research, please write today in strictest confidence.

All candidates with relevant banking experience, and first class academic background will be interviewed.

Salary package will not be an inhibiting factor for suitably qualified candidates.

Write Box A0470, Financial Times
10 Cannon Street, London EC4P 4BY

Tourism is Britain's biggest growth industry

Your financial expertise will help keep it that way

Tourism is not only Britain's largest and fastest growing industry, it is also one of its most diverse. Here at the English Tourist Board, a prime force in strengthening England's competitive position in the international tourism market-place, we encourage investment in the widest possible range of pace-setting initiatives - marinas, indoor leisure resorts, shopping complexes, museums and inner city facilities to name just a few.

It's variety that you'll enjoy as one of the Investment Appraisal Executives within our Development Division. *You'll be responsible for assessing the viability of a* number of major projects at a time - ranging in value from £100,000 to several million - and for stimulating investment funds. In doing so you'll travel extensively throughout England, liaising with tourism developers, financial institutions, local authorities and regional tourist boards.

Our Development Division is growing as fast as our industry. This year our 'Innovation Fund' has been increased by the Government to £12 million and is expected to increase still further in the future. As well as variety and project responsibility, you can expect excellent career prospects. Within this environment you can look forward to managerial status within 2 years.

By then you'll have proved your ability to communicate effectively at all levels, to make convincing verbal and written presentations to Board Directors, to work to tight deadlines and to utilise the skills of a multi-disciplinary team. A confident, personable graduate in a relevant discipline, you'll already be familiar with financial appraisal techniques, have a strong interest in tourism and hold a clean driving licence. You'll also be keen to use your initiative and numeracy within a growth industry and to enjoy a salary of c£14,000 plus generous benefits.

To arrange an early interview, please send your cv immediately to Noreen McCain, Senior Personnel Officer, ETB, Thames Tower, Blacks Road, London W6 9EL.

English Tourist Board

CHIEF ACCOUNTANT

North West c £19,000 + car

The client company is absolutely 'Blue Chip' and is a major participant in a very high volume sector of the Food Industry. Importantly, they are investing impressively and with confidence in preparation for future profitable growth.

Ideally the successful candidate will be aged about 30, male or female, a graduate qualified accountant with slightly more than five years experience in financial management linked to the using and developing of computer based systems in a process based manufacturing and marketing environment. Reporting to a Director, you will be working with an achieving, energetic management who believe that only people with personal and business ambition should join the team.

If you have an interest, please send me a CV for a rapid response. Interviews will be held in Manchester, Solihull or London.

James Allen

PERSONNEL SELECTION

Personnel Selection Limited, 46 Drury Lane, Solihull, West Midlands B91 3BJ. Telephone: 021-705 7399

A member of the LINK Recruitment Group

Financial Analyst

West Middlesex £17,000 + Car Lease Scheme

This US multi-national service company is the leader in its field and a household name.

It operates the most sophisticated accounting and management reporting systems and can provide exceptional experience and career prospects.

Based at the European Headquarters and reporting to the Business Planning Manager you will be involved, inter alia, with the preparation of presentations to senior US management, providing assistance to European head offices, preparing monthly management reports and profitability statements and carrying out various ad hoc exercises.

You will be a young, qualified accountant with good analytical and communication skills coupled with commercial acumen, the ability to work under pressure and the ambition and drive to get ahead.

Some European travel may be involved.

To apply, please telephone or write in confidence quoting Ref: BB127.

Lloyd Chapman Associates

International Search and Selection

160 New Bond Street, London W1Y 0HR

Telephone: 01-409 1371

EXECUTIVE JOBS

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in the accountancy or financial field our team of consultants, all of whom who have had managing director level experience, can help you.

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Contact us for an exploratory meeting without obligation. If you are currently abroad ask for our Executive Expat Service.

32 Savile Row, London W1 Tel: 01-734 3879 (24 hours)

Connaught

Accountancy Appointments

Finance Manager

Late 20's · c£20,000 + bonus + car

A broadly based group with a turnover of around £200m, Staveley is essentially decentralised subject to the monitoring of plans and performance by a small but highly professional Finance Department. Significant growth in the UK and USA has taken place in recent years and is planned to continue.

The person appointed will report to the Group Financial Controller and will be involved in research and investigation of possible acquisitions, capital investment appraisal, performance monitoring against budgets and the conduct of a wide range of ad hoc economic and financial studies both at home and abroad. The successful candidate will be a Chartered Accountant, preferably with a business degree, and with relevant experience. Most importantly, he or she will have been able to demonstrate a practical approach to business problems and the ability to establish good relationships with the management of operating companies. The job will involve travel both within the UK and overseas and experience of the US and its accounting practices would be a distinct advantage.

Please write, with full details, to:

R.C. McDuell, Director of Personnel, Staveley Industries plc,
Staveley House, 11 Dingwall Road, Croydon CR9 3DB.
All replies will be treated in the strictest confidence.

Staveley Industries plc

Financial Controller

E. London

c£24,000 + car

A major plc in the food manufacturing sector is about to launch a range of innovative new products as part of its overall expension programme.

A new division is now being set up to handle this launch and requires a Financial Controller to assume immediate responsibility for all aspects of financial mangement. The job will initially require you to set up systems and controls using latest technology.

As a measure of the significance of this new role you will report to a main board Director.

You will need to be a self starter with a high degree of energy, enthusiasm and committment, and will need to apply an above average level of organisational ability to the new team.

You will be a qualified accountant, aged 26-32, preferably with a background in f.m.c.g., but you will need to have a strong commercial outlook.

If this exciting opportunity appeals to you please send a full curriculum vitae quoting ref: 124 to:-
Philip Cartwright FCMA,
Cartwright Hopkins,
97 Jermyn Street,
London SW1Y 6JE.

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Compliance

International Investment Group

ACA **to £25,000, bonus, car**

This is one of the UK's most successful investment management and unit trust groups, with several billion pounds under management and an international network of offices.

A notable opportunity has arisen for a qualified accountant, probably aged 26-29. The appointee will be responsible for various new functions relating to compliance and will also have the scope to become involved in administrative, secretarial and accounting matters both at head office and with respect to subsidiaries.

Attributes should include problem-solving ability, good technical and interpersonal skills and computer user experience, gained in the profession or elsewhere. In return the group offers an attractive salary, a car and an excellent bonus scheme. Future prospects are also excellent.

Please contact Nigel Halsey, Managing Director on 01-404 5751 or write to him at Michael Page City, 39-41 Parker Street, London WC2B 5LH. Strictest confidentiality assured. Reference 3744.

Michael Page City
International Recruitment Consultants - London Brussels New York Paris Sydney
A member of Addison Consultancy Group PLC

European Controller

North Warwickshire **c.£35,000 + Car + Bens.**

Our client is the European division (turnover $12m) of a Fortune 100 corporation.

Already a recognised market leader in the health care sector, they are poised for a further period of controlled growth and at this critical stage in their development, they seek a high quality Controller to enhance the management team.

Reporting to the European General Manager, you will be responsible for the financial management and control of the European operations. Specifically, you will take responsibility for the development of reporting systems and the coordination of MIS development throughout Europe, the establishment of budgeting and cash management systems, setting up of new overseas subsidiaries and hiring of local finance staff, tax planning and business analysis.

A qualified accountant, the successful candidate will have
- exposure at a similar level within a Pan-European operation
- sound experience of MIS development and US reporting requirements
- excellent communicative ability and interpersonal skills
- the technical and commercial flair to make a positive contribution to the organisation's growth.

Fluency in European languages will be a major advantage.

The basic salary offered is excellent, additional benefits include bonus, company car, health insurance and pension scheme.

For further details please contact Dean Gollings BA, ACA on 021-643 6255 or write to him at Bennetts Court, 6 Bennetts Hill, Birmingham B2 5ST.

Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
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Financial Training

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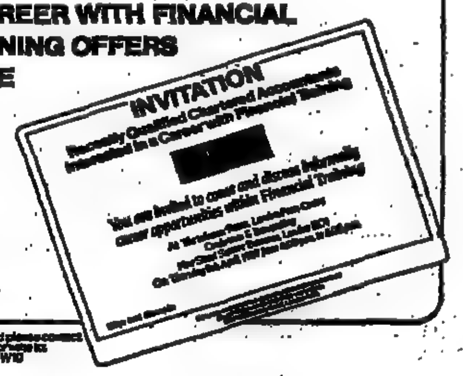

Regional Financial Controller

EUROPE **to £50,000 + benefits**

Dun & Bradstreet International provides credit reporting, receivables management and marketing services to businesses throughout the world. The European operations are divided into two regions, one of which wishes to appoint a Financial Controller reporting directly to the Regional Executive Vice President. The appointment is based west of London, but demands frequent European travel.

Key areas of responsibility are the consolidation of monthly reporting and forecasts, professional direction of subsidiaries' financial and accounting practices, and the provision of financial analysis and advice to the Executive Vice President. The appointment is established to give strong financial leadership to the subsidiaries in seven European countries, thus demanding the following:
- professional accountancy qualification
- experience of having led a financial function at a national level
- international experience with a multinational corporation
- thorough knowledge of FASB standards and practices.

In view of the nature of the role, a second language, ideally German or Spanish, is also desirable.

We are only interested in applicants who have the above requirements. If you would like to be considered for this opportunity which offers real growth prospects, then please send a complete cv to, Mr David Hutton, Regional Personnel Director, Dunn & Bradstreet Europe Ltd, Roussel House, Broadwater Park, Denham, Uxbridge, Middlesex UB9 5HP.

Dun & Bradstreet International

Expanding, acquisitive group seeks an accountant or banker with corporate finance experience as

VICE CHAIRMAN

New Malden, Surrey **£35/40,000 negotiable + car and share options**

AMA Ltd is engaged in the high technology area of the design, installation and maintenance of building services. Expanding rapidly both by acquisitions and organic growth, the company is aiming for a flotation within three years, by which time turnover will be c £20 million.

The successful candidate will work closely with the Chairman on the identification, acquisition and subsequent integration of target companies with a particular emphasis on obtaining finance for take-overs and on improving the subsequent financial performance of new subsidiaries.

Applicants, in their late 30's/early 40's, should have a relevant corporate finance background and possess good City contacts. Exposure to the construction industry and previous experience of grooming a company for the market would be a distinct advantage.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2772 to G. J. Perkins, Executive Selection Division.

Touche Ross
The Business Partners
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Tel: 01-353 7361.

AMA

FINANCIAL PLANNING MANAGER

To £20,000 plus car, plus substantial bonus
London Bridge

A rapidly-expanding financial services group requires a qualified Accountant. Reporting directly to the Financial Controller, responsibilities will include:
- Budgeting and forecasts for different divisions of the business;
- Analysis of product profitability;
- Capital expenditure evaluation;
- Financial advice to the sales and marketing functions;
- On-going systems development.

Suitable candidates aged 25-30 will be self-motivated, enthusiastic and have strong interpersonal skills as well as the ability to thrive in a pressurised environment. This demanding and highly commercial role offers excellent scope for career progression.

Written applications with full c.v. please to be sent in confidence to:

The Personnel Officer
Burton Group Financial Services
128-132 Borough High Street, London SE1 1LB

ACAs

City

CORPORATE FINANCE **c. £25K** A UK Securities House seeks recently qualified ACA's (with good academic qualifications) to join its expanding Corporate Finance team.

CHIEF ACCOUNTANT **c. £30K** A rapidly expanding European Investment Bank seeks a Chartered Accountant who will be responsible for 20 staff, and provide full internal and external financial reporting and controls.

TRADER SUPPORT **c. £30K** A major US Investment Bank seeks high calibre recently qualified ACAs to complement their strong bond, gilts and equity support teams.

For further details please write or telephone in strict confidence quoting reference RB2020.

Rochester Recruitment Limited

Financial Controller

Cable and Satellite Television

£30,000 plus Benefits **London**

The Cable and Satellite Television Division of a large group is seeking a new Financial Controller to report to the Chief Executive. Candidates should be able to demonstrate sound financial experience and expertise and posses drive, commercial acumen and a strong consumer marketing and service orientation. The candidate will be expected to make a major contribution to the Division's continued development..

Confidential Reply Service: Please write with full CV quoting reference 2080/CS on your envelope, listing separately any company to whom you do not wish your details to be sent. CVs will be forwarded directly to our Client who will conduct the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London, EC4A 4EA.

CHARLES BARKER
ADVERTISING·SELECTION·SEARCH

Accountancy Appointments

Accountancy Appointments

Controller

Management Information

West London **c£25,000 + car**

Our client is a leading media organization (t/o $300m) operating internationally with offices in Europe, the Far East and Latin America.

The role has been recently created to centralize and rationalize the production of all types of management information to shareholders, sales, marketing and financial personnel. The position will be high profile in a demanding environment.

Candidates should have the following attributes:–

- Qualified accountant, preferably ACA
- Age indicator 30–35
- Proven experience of management accounting and analytical skills
- Good presentational and man-management skills arising from experience in a marketing orientated company

The role will involve responsibility for a department of 20 staff.

Please telephone or write enclosing a full resume quoting ref: 126 to

Nigel Hopkins FCA,
97 Jermyn Street,
London SW1Y 6JE.
Tel: 01-839 4572

Cartwright Hopkins
FINANCIAL SELECTION AND SEARCH

Young Entrepreneurial Accountant

to £20,000 + profit share + car : South West

A fast growing construction group, highly profitable with a turnover of £20m, our clients have developed their own, industry specific, financial software. They are now launching this in association with one of the major computer manufacturers, and need to appoint a young accountant as a key member of the small management team.

This is an unusually varied role, giving the opportunity to develop and operate all financial controls in a new company, and additionally to act as an integral part of the sales team, presenting to senior financial managers in client companies.

A qualified accountant and computer literate, you will need strong commercial acumen together with the drive and determination to guide a new business through the crucial early stages of development. Construction industry experience will be an advantage.

Career prospects are good in a fast growing group and relocation assistance will be provided where necessary.

Please write – in confidence – with full career details to John Eskdale, ref. B.53052.

MSL International (UK) Ltd, 50 Queen Square, Bristol BS1 4LW.

Offices in Europe, the Americas, Australasia and Asia Pacific.

MSL International
Executive Search and Selection

Senior Financial Manager

City based **£35K + Car**

Our client is a successful brokerage house dealing in futures and foreign exchange. The company has an excellent record of growth and profitability and operates internationally.

They currently require a Senior Financial Manager to join their Head Office team with responsibility for providing monthly management accounts and statutory accounts and developing computer systems. They will also become involved in the financial control of treasury and operations.

The candidate sought will be aged 26-34, a Chartered Accountant with a "big 8" background who has either reached management level within the profession or has gained relevant experience within a city based financial institution.

For an above average performer who is prepared to work extremely hard and become involved in the broader aspects of an expanding company, the prospects for advancement are excellent.

Interested candidates should write, enclosing a curriculum vitae and daytime telephone number, quoting ref. 394 to Philip Rice MA, ACMA,
Executive Division, at
39-41 Parker Street,
London WC2B 5LH.

MP
Michael Page Partnership
International Recruitment Consultants
London Windsor Bristol Birmingham Nottingham Manchester Leeds Glasgow & Worldwide
A member of Addison Consultancy Group PLC

Divisional Finance Executive

North London **to £35,000+Car**

This challenging senior role assumes responsibility for the financial management of three multi million pound turnover manufacturing divisions and there is tremendous potential for guiding the direction of current performance and future development.

As a major part of a well known and long established British based group, many products are market leaders on an International scale and the stature of both Company and management is high. Commercial awareness will be as important as previous management experience but enthusiasm, drive, commitment and creativity will also play a major part in the anticipated execution of the demanding duties. Applicants should be qualified accountants probably between 35 and 50, with a sound background in financial control gained within manufacturing operations using modern techniques and with a positive flair for management.

Interested candidates should send full career and personal details to:– John Overton FCA, Managing Director, Overton Management Selection, 3 Berkeley Square, London W1X 5HG, or telephone 01-408 1401 for an application form quoting reference 10/1146/FT.

OVERTON MANAGEMENT SELECTION
APPLICATIONS ARE WELCOMED FROM MEN AND WOMEN

FINANCIAL CONTROLLER/ COMPANY SECRETARY

£25,000 Circa

Bridge Data Company Ltd provides a complete on line, real time equity, options and commodities information service. The company now requires an experienced Financial Controller to assist in the expansion of its European operations. Candidates must have formal accounting and Company Secretarial qualifications, and be conversant with the operations of the major international Stock markets. Experience with advanced computerised systems is essential. This is a senior financial position within the European operations and career advancement will be in line with company growth.

Please reply with your curriculum vitae, in confidence, to:

Mr Maarten Hardonk
Director
Bridge Data Company Ltd
6 City Road
Finsbury Square
London EC1Y 2AA

Analyst – Corporate Planning

W. Middx. **to £22,000+car**

Our client manufactures and aggressively markets a highly successful range of world famous brand-named food products. An autonomous subsidiary of a US multinational, they enjoy continued profitable growth, both organically and by acquisition.

This new role is centred at the hub of the corporate decision making process and is expected to impact on all aspects of the business, presenting concepts and proposals at Board level. Development of strategic policy, performance analysis, new product and capital investment appraisal will all figure strongly in day to day activity, as will the investigation of new business activities/acquisitions. Extensive use will be made of state-of-the-art computer modelling techniques.

As a key appointment it calls for a graduate, ideally an MBA, or a qualified Accountant (aged 25/32), with financial/business analysis or planning exposure from within commerce or industry. You must have strongly developed commercial acumen and the ability to communicate confidently and influence senior management.

You will be joining a young, high calibre team headed by a Corporate Planning Manager and your ability to succeed and effect change will ensure your continued personal growth.

Salary is negotiable as indicated and benefits include fully expensed car, pension and BUPA. Generous relocation package available where appropriate.

Please write enclosing CV or telephone for application form, anytime between 8.30am–9.00pm weekdays/weekends. (Also 24hr ansaphone).

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The bank, employing about 400 people and with an asset base putting it amongst the UK's sector leaders, provides high quality financial services to corporations, institutions and governments on a worldwide basis. It combines an informality of style with a high degree of professionalism and looks confidently to the future.

Fringe benefits are those which you would expect from such a prestigious employer and include a generous mortgage subsidy, bonus scheme, non-contributory pension, free medical insurance and comprehensive training courses.

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EXECUTIVE CONNECTIONS

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A fast growing profitable engineering PLC, primarily based in the West Midlands, with a turnover of over £30m requires an experienced and energetic group financial director to take responsibility for all aspects of financial and management accounting in a climate of strong organic and acquisitive growth.

Candidates aged between 32-40 should be qualified accountants, demonstrating a successful track record of in-depth financial management, coupled with a high degree of commercial awareness ideally with an engineering background, plus well developed communication skills.

Key areas will be to enhance/develop and implement good management accounting systems, to control and reduce operating costs and to assist in the development and subsequent implementation of strategy.

Please write with full cv in confidence to:
The Chairman, Box A0468, Financial Times
10 Cannon Street, London EC4P 4BY

FIMBRA

Compliance Department Managers and Officers

The Financial Intermediaries, Managers & Brokers Regulatory Association was set up in 1979 and subsequently granted recognition under the Prevention of Fraud (Investments) Act 1958 as an association of dealers in securities. It is a potential Self-Regulating Organisation under the new Financial Services Legislation establishing the framework for investor protection.

The membership is expected to increase at least five-fold within this year (from the present base of 1,450 businesses) and accordingly an interesting, demanding and progressive career opportunity exists for a number of managers and officers in the Compliance Department.

The Compliance Department's important role involves monitoring of members' activities by means of regular compliance visits and investigations. The positions demand a high level of technical and personal skills and the ability to work both individually and/or as part of a team on investigations.

The successful applicants, either male or female, will be qualified accountants or lawyers and experience in the financial services field would be advantageous.

The remuneration package will be commensurate with experience and no bar to suitable applicants who wish to move into the interesting and evolving area of regulation.

Applicants should please write in confidence, enclosing a full curriculum vitae, to Mr. D. W. Peffer at FIMBRA, quoting reference REC4.

The Financial Intermediaries, Managers & Brokers Regulatory Association
22 Great Tower Street, London EC3R 5AQ

Financial Controller

City **Salary to £25K + Car + Benefits**

Our clients, a well established and profitable firm of Systems Designers and Consultants have enjoyed market recognition in recent years, and seeing the opportunity to take the company to the USM in the next 2-3 years, have now identified the need to strengthen their financial team by the appointment of a Financial Controller.

Reporting to the Managing Director, you will be responsible for the financial control of the company, providing statutory and management accounts, advising the Board on Treasury matters and commercial policy. The ability to work under pressure in this fast moving and demanding organisation is essential.

Candidates, likely to be around 30 years of age, will ideally be graduate Chartered Accountants who can demonstrate a progressive track record gained in either the profession or more recently in a dynamic commercial environment. A mature, thorough, analytical type of person is required with a sound appreciation of the skills necessary to take a company to the market. Experience of computer applications and the IT industry would be an advantage.

If you meet these demanding criteria, you should send a detailed CV, including current salary, to Don Day FCA, quoting reference LM871 at Spicer and Pegler Associates, Executive Selection, Friary Court, 65 Crutched Friars, London EC3N 2NP.

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CLASSICAL MUSICIANS AGENCY

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COMPANY ACCOUNTANT/ COMPANY SECRETARY

to assume, with assistant, full responsibility for computerised accounting function and all Company financial matters.
Salary negotiable AQE.
May suit newly-qualified.

Write in confidence enclosing c.v. and recent salary history to:
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12 PENZANCE PLACE, LONDON W11 4PA

Accountancy Appointments

NEW APPOINTMENT

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BLUE CHIP INSURANCE GROUP - DIVISIONAL BOARD

Our Client, a prominent General Insurance Group whose parent is a well-known multi-national, is looking for a Finance Director to serve on the Board of its largest operating Division based in a pleasant part of the Cotswolds.

The successful applicant will make a major contribution to the Division's business objectives and strategy, and will share collective accountability for its success. Day to day responsibilities will involve all aspects of financial control and reporting procedures throughout the Division's 100 locations.

The climate of change calls for an individual who can demonstrate sound management information skills as well as identifying the need for innovation. A divisional budget of £100 million and a departmental staff of 40-60 will be the principal resources.

You will need to be aged 35-45, a qualified accountant (preferably Chartered) with practical experience related to the UK insurance accounting field, perhaps in another insurance company, in an auditing capacity, in a brokerage, or indeed a large group with financial services interests. Familiarity with Government and ABI returns procedures is essential.

Relocation expenses will be met in full as part of the considerable benefits package which includes a non-contributory pension scheme, attractive house purchase facilities, company car, PHI and BUPA. In addition a substantial salary will be paid (to £45K).

Write in complete confidence to John L. Thompson as adviser to the Group, quoting Ref. 1149. Thompson Associates Ltd., Compton House, 20a Selsdon Road, South Croydon, Surrey CR2 6PA.

T A L

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Excellent Salary Plus Car, Bonus & Benefits

Fidelity International Investment Advisors UK, one of the leading names in Global Pension Fund Management, now require a Financial Comptroller to join our team of professionals in the city.

This is a senior appointment within the company and you will be working closely with our Investment Managers. Your responsibilities will include cash management, securities settlement and liaising with custodian banks as well as brokers.

You should be a graduate or graduate calibre with an appropriate professional qualification and a proven track record. Consequently, your background will include a number of years of working in the financial services sector preferably with a bank, pension or investment organisation.

We are offering an excellent remuneration package which will include a generous salary negotiable in line with experience, a company car, a substantial performance related bonus together with the usual benefits you would expect from a successful company.

If you are interested in joining a dynamic, expanding organisation, please write enclosing a C.V. to Gerry Baxter, Human Resources Manager at Fidelity International Investment Advisors (UK) Limited, River Walk, Tonbridge, Kent TN9 1DY.

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LIGHT INDUSTRY
French and German emphasis on financial control and computer systems in fast moving environment seeks
DYNAMIC AND CHALLENGING POSITION
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Financial Times, 10 Cannon St
London EC4P 4BY

MA (CANTAB) ACA

BRITISH GRADUATE

Early 30's, first class honours in economics ACA (big eight firm) with considerable financial and business experience in both the City and Commerce, seeks a new challenge despite existing excellent position. All offers considered but preference is for a company seeking a flotation or with an exciting expansion programme.
Write Box A0464, Financial Times, 10 Cannon Street, London EC4P 4BY.

TREASURY

Age: about 30 West London £30,000 + car

THORN EMI plc, one of Britain's leading multi-national companies with a turnover exceeding £3 billion is seeking to appoint a Treasury Manager reporting to the Group Treasurer, who has a wide range of responsibilities including the group tax function.

The successful candidate, aged about 30, must be a qualified accountant with a good degree. He/she will have had some experience of treasury management and will be seeking an appointment that will provide in-depth experience as a springboard for a career in treasury. The Treasury Manager will head up a small team and progressively take responsibility for the day-to-day running of the treasury department and its planned development including:

- further development of effective computerised systems;
- the development of a corporate treasury policy and procedures;
- cash planning and forecasting;
- cash management, borrowings, controls, short term investment and leasing;
- foreign exchange exposure management.

The department is regarded as a key area and the successful candidate will be involved in the development of centralised management of currency exposure and liquid assets and liabilities.

Salary will be negotiable to £30,000 + car and there are other valuable benefits.

Please send a comprehensive career résumé, including salary history and day-time telephone number, quoting ref: 2776 to W. L. Tait, Executive Selection Division.

Touche Ross
The Business Partners
Thavies Inn House, 3/4 Holborn Circus, London EC1N 2HB.
Telephone: 01-353 8011.

THORN EMI

Finance Manager

Racal-Vodafone Limited, based in Newbury, has developed at a phenomenal rate to its current position as the market leader in the provision of a Cellular Radio Network in the U.K.

This rate of growth has lead to significant career opportunities for professional accountants. We now wish to appoint a FINANCE MANAGER who will play an important role in the future expansion and development of the Company.

The successful candidate will be responsible to the Financial Controller for the management and control of both the financial and management accounting sections of the company currently numbering twelve people.

Applicants, preferably graduates, should be Chartered Accountants who have obtained large firm experience followed by at least two years' working in industry in a managerial capacity.

We offer an excellent opportunity for career progression within Vodafone and the Racal Telecommunication Group.

If you are ready for your next move and are prepared for the challenge that Cellular Radio offers then please write giving details of qualifications, experience and salary expectations to:

Mr. R. Brock, Personnel Manager,
Racal-Vodafone Limited,
The Courtyard, 2-4 London Road,
Newbury, Berkshire RG13 1JL.

VODAFONE · RACAL

James Capel Bankers Limited

Assistant Accountant

James Capel Bankers Limited is the European Merchant Banking Arm of the HongkongBank Group and has a key role in the Group's expansion in the U.K.

We require a qualified accountant to join the Finance Department. The successful individual will join a small highly motivated team in which initiative and entrepreneurial skill is recognised and rewarded. The individual should be aged 25-35; and be able to accept responsibility; communicate at all levels; and demonstrate a determined self motivated approach.

Previous banking experience is not essential, and candidates may be employed currently within the Finance Department of a major industrial/commercial institution.

Salary will be attractive and the package will include normal merchant banking benefits.

Applications including full personal and career details should be sent to C. E. Fiddian-Green, James Capel Bankers Limited, 7 Devonshire Square, London EC2M 4HN.

member: HongkongBank *group*

A leading Financial Services Group requires a self-motivated qualified accountant to fill a position in its restructured management/financial accounting unit of the Group's U.K. operating division, initially located in either the North West or East Anglia.

AMBITIOUS QUALIFIED ACCOUNTANT

£18,000 – £22,000

Initial duties and responsibilities will be as a member of a professional team controlling and constantly reviewing the finance/management reporting to tight monthly deadlines and continuously developing departmental computer systems, both on micro-computer and mainframe.

For the ideal candidate this experience should be the foundation for a gradual but rewarding progression within the Group, with the early expectation of being appointed as deputy to the unit head. Progression after this depends on the personal ability and skill of the candidate.

Candidates must be effective communicators, able to demonstrate a flexible and enquiring approach to all types of problems and capable of controlling production to very tight deadlines. We are only interested in those who have a desire to develop and progress within the Group, as this is not a position for those seeking a comfortable appointment.

If you are aged between 27-35 and feel you can meet our requirements, successful application will mean a salary in the range of £18,000 to £22,000 per annum, depending on experience. Additional benefits are generous with excellent conditions of service to ensure an overall attractive package.

Applicants should forward a full curriculum vitae in confidence to Box No.

A0479, Financial Times
10 Cannon Street, London EC4P 4BY

CORPORATE ANALYST

c£19,000 package + car City

Corporate role for a graduate Business/Financial Analyst within Group central finance of a high profile PLC.

With a healthy balance sheet the Group is actively pursuing continued expansion by acquisition and increased international business marketing. The record of recent growth and diversification has been achieved through a well defined business strategy to which the Finance Management makes a vital contribution.

The Corporate Analysis team's own contribution is to evaluate financial performance in order to support policies and decisions of the Group Board, monitor trends and evaluate potential investment opportunities.

Candidates will be confident, analytical qualified Accountants or MBAs (aged 25-30) able to appreciate the commercial value of financial information. Experience should include budgeting, planning and project evaluation within a quoted group.

The attractive benefit package includes an expensed car, non-contributory pension scheme and, if necessary, full relocation.

Please reply in confidence (quoting ref F7087) to Jeff Adcock, Clark Whitehill Consultants, 25 New St. Square, EC4A 3LN or telephone 01-353 1577.

Clark Whitehill Consultants
Executive Selection

CHIEF ACCOUNTANT/ FINANCE DIRECTOR DESIGNATE

Maidstone Kent £16,500 + Profit share and Car

The company is a long established and successful distributor of a range of capital equipment to the Construction industry and is a member of a substantial privately-owned group.

Financial control is of paramount importance and the position will suit an ambitious and committed shirt-sleeved accountant with a positive attitude to responsibility.

Candidates must be qualified accountants (ACA, ACMA, ACCA) aged 23-35, capable of implementing financial controls as well as taking an active part in the general management of the company including the continuing development of computer-based system.

Rewards include an excellent remuneration package with attractive profit share and appointment to the board.

Please write with a full career history to:
A. P. Bale, Newship Group Limited,
Clive House, 12-18 Queens Road,
Weybridge, KT13 9XB, Surrey.

FINANCIAL ACCOUNTANT

Central London
c.£20,000 p.a. Benefits

My clients are a leading marine mutual insurance company who, because of expansion and diversification, seek to recruit a recently qualified Chartered Accountant.

The work, will be interesting and varied, and will involve a wide range of financial accounting matters including the supervision, review and preparation of sound financial and management information from computerised accounts; financial and statistical analysis; implementation of accounting and control systems for new projects; company taxation computations; liaison with offshore reinsurance subsidiaries and their investment managers.

In this changing environment managerial ability, flexibility of approach, drive and enthusiasm are essential qualities.

This is an exciting opportunity with outstanding early promotion prospects, for an ambitious young Chartered Accountant to work in a challenging atmosphere where new business ventures are actively being pursued.

Please apply with full CV quoting JH/152 to:-
John Hamilton, 15/16 America Square,
London EC3N 2LA. Tel 01-481 8314

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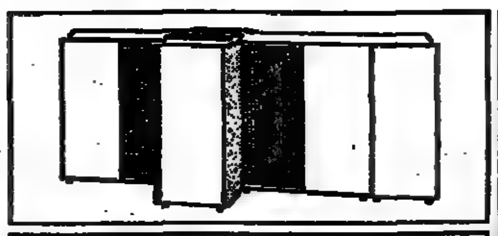
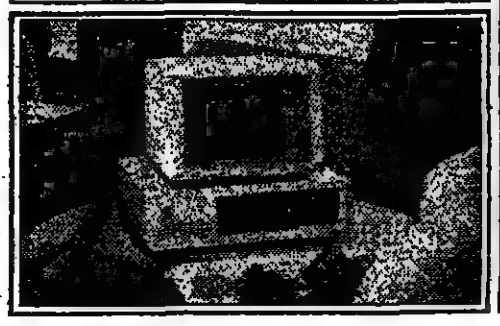
TECHNOLOGY: Computing

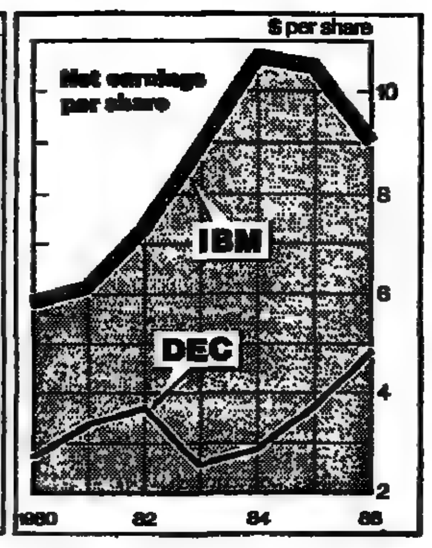
BY ALAN CANE

How IBM is tackling its Tower of Babel

The company quietly launches its answer to the lack of machine compatibility which is thought to have cost it market share







Systems Application Architecture will make it possible for IBM's personal computers (bottom left) to talk to its mid-range business machines (right) and its mainframes (top left). DEC's earnings per share reflects its experience in machine compatibility.

IBM is pressing ahead with unprecedented measures to eliminate the incompatibilities of design and operating method which dog its principal computer families and which are thought to have cost it market share against more flexible competitors such as Digital Equipment (DEC).

Last year it tackled the hardware side of the problem with the launch of a machine called the 9370, a departmental-sized machine with the same internal structure (architecture) as its biggest mainframes.

Now, without any fanfare, it has let it be known that it is putting together a set of "software interfaces, conventions and protocols" to ensure compatibility between its three main product ranges—the mainframe family based on its world dominating System/360 architecture, its mid-range machines, the System /36 and /38 and its personal computer range.

Called Systems Application Architecture (SAA), the interfaces will make it possible for software written for any of the major machine families to be run on machines from either of the other families, without significant modification. This is simply not possible at present.

SAA will also ensure that the same commands, instructions and screen designs will be common through the three ranges. In other words, a customer sitting at an IBM visual display unit would have no way of knowing what kind of machine he or she was connected to—and it would not matter.

Mr Robin Lynch, software support manager in the UK for Johnson & Johnson, the health care company, and former chairman of the programming committee of the IBM Computers Users Association, says SAA will have its greatest effect on customers for IBM's small and medium-sized systems.

"At present if you have a medium-sized system and need to install a larger machine from another IBM family you have to discard all your applications software. Everything you have been running will be incompatible with the new system."

"SAA offers IBM customers the opportunity to start small and grow, while retaining their very considerable investment in applications software," he states.

IBM's problems with incompatible systems arose almost through an historical accident.

For many years, the company was vertically divisionalised. Large scale mainframes were sold through the Data Processing Division (DPD), while medium-sized and small systems were the responsibility of the General Systems Division (GSD).

The two division went their own ways in machine architecture and design, and even in marketing methods. In the late 1970s, the company was frequently embarrassed by stories of customers canvassed by sales teams from DPD and GSD, each selling separate and incompatible solutions.

When the demarcation lines were finally destroyed, the company was left with up to seven separate and incompatible computer architectures. IBM sees it differently. Its note to its customers announcing SAA says: "By pursuing a multiple architecture, IBM has been able to provide products with outstanding price/performance to meet our customers' requirements."

Digital Equipment, on the other hand, had maintained a single architecture through its entire machine range so its largest machines could communicate and share programs with its smallest, and vice versa.

Its approach has proved particularly attractive as the data processing world has moved away from a centralised mainframe approach, to networks of smaller computers distributed through a companies locations and offices.

That has been a major reason for DEC's commercial revival at a time when the rest of the industry has been going through deep recession.

It is also the reason why IBM has had to move fast with the 9370 department machine—which plays the same part as DEC's mid-range departmental computers—and with SAA.

Computer industry observers believe the development could be more important than Systems Network Architecture (SNA), IBM's method for connecting its computers together in communicating networks. Launched quietly over a decade ago, this has grown steadily in importance until it is now the most popular communication architecture among large machine users.

SAA aims to provide:

- A common programming interface.
- Common communication support (it incorporates SNA, in fact, as well as open system protocols).
- Common user access.
- Common applications.

Other IBM products such as Series/1, IBM's first minicomputer and the 8100, an office system suited to dispersed processing, are not included in SAA and customers are beginning to think of these as specialised systems, outside IBM's conventional commercial offerings.

Although certain products listed under SAA such as SNA and DB2, IBM's relational database system, already exist, SAA is a concept rather than a product. For 1987, IBM is planning chiefly to publish documents that define the architecture such as the "Systems Application Architecture Overview."

Software products are likely to appear in 1988 but no date has ben set for the completion of the programme.

After years of customer frustration with incompatibility problems, however, the emergence of the 9370 and SAA has convinced stockbrokers like PaineWebber of New York that: "IBM will dramatically improve its position in the fast growing market for smaller, distributed systems."

Britain fails to get the message across on electronic mail

BRITAIN'S communicators have yet to be convinced of the power and flexibility of computer-based communications.

A telephone survey of 100 media owners advertising agencies and public relations consultancies throughout the UK has revealed that facsimile (fax) is the most popular method of electronic text communication, closely followed by telex with electronic mail a poor third.

The survey, carried out by James R. Adams and Associates, shows that two fifths of media owners use electronic mail compared with a sixth of PR consultancies and a tenth of advertising agencies.

The survey comments: "This situation is anomalous since both advertising agencies and PR consultancies need to communicate with media owners."

Electronic mail is a computer-based technique for sending messages between terminals over a data communications network. It is more flexible than facsimile and faster than telex.

Information technology experts believe that linking supplier and customer—advertising agency and media owner, for example—through an electronic mail system is one of the most powerful business facilities that microelectronic technology has made possible.

Such a link is fast, flexible and secure. It also ties the supplier and the customer together with an electronic knot which other suppliers find hard to disengage.

James Adams last surveyed electronic mail in the UK two years ago, when it discovered that overseas companies based in the UK were twice as likely to make use of electronic mail than their British counterparts.

Among the findings of this year's survey:

- Of the leading proprietary systems, Telecom Gold and Prestel (the British Telecom viewdata service which incorporates an electronic mail facility) were the best known. The other leaders, in order, were Easylink, One to One, equal with Istel, and Quik Comm.
- Of these companies which used electronic mail a half subscribed to Telecom Gold while one third used in-house systems.
- A third of the users of electronic mail used more than one system.
- Companies were evenly balanced between those which thought their use of electronic mail was increasing and those who thought it was decreasing.

The survey accurately identified the substantial interest in facsimile as a means of communication. Improvements in technology in recent years have meant that the quality of the fax service has improved, both in terms of speed and legibility.

The survey suggests that fax was preferred by most respondents because they were unaware of the facility which electronic mail provides for changing and modifying written copy.

The complete report is available from James Adams at £185.50 including VAT on 01-836 5012.

A soft word in the ear of UK industry

REPRESENTATIVES of up to 30 of the UK's top companies are expected to crowd the Bournemouth offices of Systematica, a small software firm, in the next few days for an unusual and trail-blazing event.

It will be a seminar on the advantages of software engineering—methods of developing software professionally using computing techniques (software "tools") to automate the tedious and repetitive parts of the work.

The seminar is to be hosted by three separate companies. All are less than five years old and at the frontiers of research and development in the creation of tools to make the writing of software easier and more productive.

It will be more than simply a commercial showcase. Mr David Morgan, director of software development at the Alvey Directorate, the government backed programme in advanced computing, will give the keynote address.

Mr Morgan made it clear this week that he will be speaking at the conference by invitation and because he believed in its aims. He was not endorsing any of the software engineering tools offered by the three hosting companies — Systematica, Imperial Software Technology and Alsys.

The chief aim of the conference, he stated, was to spread the word that effective software engineering tools were now available, and he believed that message was critical for British industry.

He said there was a substantial barrier to the use of software tools to be overcome, at senior and middle management level, because it was still difficult to prove their use was economically justified.

They were used chiefly in the more complex software projects where automation was necessary simply to maintain control: "These tools and methods are used rarely on less critical applications."

Nevertheless, there was good evidence at the working level that they saved effort and eliminated errors: "Even if there is no equation you can apply to the bottom line to indicate the benefits," said Mr Morgan.

He added that, "1987 is going to see for the first time a rich variety of real software tools from Alvey, from Esprit (the European advanced research programme) and from commercial companies. Soon there will be real choice. There is an underlying belief that this is the right way to go and a danger that if firms ignore the challenge they will be left behind."

Speakers at the seminar will also include Mr Andrew Wells of Systematic, Mr Victor Stenning of Imperial Software Technology and Mr John Barnes of Alsys. All are established figures in the software engineering world.

Mr Wells says most software in the UK is "still written with a hammer and chisel."

There is a reluctance to use software engineering methods because at present too few of the tools available fit together. They were designed to automate only one part of the development process.

Furthermore, too often they simply represent a singular view of software development—that of the author of the tool. And they do not conform to industry standards.

The three companies believe they can offer elements of an integrated approach, although they agree nobody has all the answers.

Systematica develops tools to ensure that the design of the software fits the rules laid down in the specification.

The company was formed by a group of former Plessey software specialists—Mr Wells was chief software engineer at Plessey Displays.

Imperial Software Technology is jointly sponsored by National Westminster Bank, PA Management Consultants and Imperial College, London.

Under Mr Stenning's direction it has developed an "Ipse" (Integrated programming systems environment), a computer system which manages the development of a software project.

Mr John Barnes, managing director of Alsys, is a senior figure in the UK software industry, a specialist in the US Department of Defence computer language, Ada, and a member of the team that developed it.

The seminar is by invitation. It is strictly a one-o: affair, and the sponsors have no plans yet to take further their crusade for software engineering.

Royal Academy/Deanna Petherbridge

Magnificent icons glowing in the gloom

While crowds pour into the Royal Academy to celebrate well illuminated British Art in the 20th century, the front galleries have been transformed into dark, semi-ecclesiastic spaces for the display of a magnificent selection of glowing Greek icons. Icons are often described as "theology in colour," according to Bishop Kallistos Ware, and in this setting the rich tempera colours, gold outlines, haloes and backgrounds are seen to maximum intensity. We are immediately made aware that these icons and fragments of frescoes are not just paintings of aesthetic value, but are "part of an act of prayer and worship."

The exhibition, which runs until June 21, was previously shown in Athens and Florence but has been considerably rejigged here by the Greek Ministry of Culture, Byzantine Museum of Athens, and Dr Robin Cormack of the Courtauld working with the Royal Academy. Sponsored by Glaxo Holdings among others, the exhibition now has the addition of several interesting new acquisitions from the British Museum, rarely seen icons from private collections in Britain, and very important items from the Byzantine Museum in Athens, never before permitted to travel. These wonderful icons look very different in this reverential display from their normal more secular base under dusty Attic light and petrol-scented cypresses.

SS Sergius, Bacchus and Justina by Michael Damaskinos, circa 1571

The travels and expansion of the exhibition are a credit to Minister Melina Mercouri's thrusting cultural policies, but also reflect a new, confident and more Euro-centred view of Greek art history. The very title of the exhibition is significant: *From Byzantium to El Greco* implies cultural continuity and development. By side-stepping the use of the term "post-Byzantine" this presentation avoids the more orthodox, fractured view of Greek history under Ottoman and Frankish domination. Whether the italicising icons of Crete and the Ionian islands were originally included in homage to their Italian hosts and created a context for the better known El Greco, or represent a more radical popularisation of art-historical values is open to speculation. However, the inclusion of these previously marginalised works into a major international exhibition under the aegis of "Byzantium" is significant. "Contact between Western and Greek forms found its finest expression in Crete," writes Professor Malthezou, "although foreign domination undoubtedly had its painful aspects"; and elsewhere in the numerous catalogue essays there are confident views about sustained Greek cultural identity under Catholic and Muslim conquerors. It is left to British Professor Cormack to remind us that "It is only in recent years that the qualities of Cretan painting have been accepted by art historians."

The exhibition opens powerfully with icons from the late Byzantine period, and we are confronted immediately by the suffering head of the 12th century *Virgin Hodegetria* from Kastoria in Northern Greece. This enormous processional icon is double-sided, and on the back is the agonised Man of Sorrows, one of the earliest depictions of this subject. Common misconceptions about Byzantine art, based on a Western-European model of change and revolution in art, are that it is repetitive, inexpressive and resistent to change. But the introductory exhibits very soon establish just the opposite view and one becomes aware that although feeling is not expressed in corporeal gesture and and dramatic compositional devices as in the West, it is none the less potent for being conveyed in a dematerialised and stylised manner. Far from rigidity, it is the richness of stylistic divergence which is apparent. Iconography, or presentation of subject matter, is fixed in Byzantine art not style, due to the need for a clearly recognisable image, close to its specific prototype. So, although the late 14th century Rhodeian *Virgin Hodegetria*, probably executed in Constantinople, is Palaeologan like the Kastoria icon, and uses the same composition and gestures, it is entirely different in its smooth planes, delicate contours and austere and withdrawn expression. The theme of cultural exchange is also established early on, with the inclusion of an interesting 13th century *St George* from the British Museum, tentatively attributed to a French artist who might have travelled East with the crusaders. The obvious gothic influences, and the very untypical curliques of decorative gesso work in the background are an interesting marriage of Western and Byzantine influences.

The scale of works also differs markedly, and it is interesting how the iconographic canons can expand to majestic size in an altar-screen or processional icon or scale down to small domestic icons or diminutive folding altars. However, it is rather disappointing that in spite of the allusive design, this exhibition gives no indication to the unfamiliar viewer as to how icons are usually displayed in an altar-screen within Orthodox churches. There should be some indication of the richness and opulence of these multi-panelled *iconostasis* with their elaborate painted wooden decorations, crowning dragons and holders for hanging lamps and the silver icon mounts and crowds of ex votos which embellish them. Some sets of painted sanctuary doors from altar screens are displayed, but they make more point about stylistic influences than indicate their part in church decoration. An ensemble of 16th century frescoes from a church in Veria, Lakonia is reconstructed in a corner of the exhibition (and all congratulations to modern technology for wall travel!) but, interesting as this is, it conveys the flavour of the denuded modern experience—a few rich fragments in a sea of replastering, rather than the candle-darkened chapels where people worshipped.

Crete became a major centre of art after the fall of Constantinople, and itself was succeeded by Kerkyra. The major gallery is devoted to these works, beginning with the exquisite *Virgin Kardiotissa* by Angelos, one of the most popular works in the Byzantine Museum. This is Angelos at his most traditional, but he moved freely, like other Cretan and Ionian artists, between different modes of working, some of them broadly, if retrogressively Italianate. Icons like Tsafouris' *Man of Sorrows* from Patmos is clearly related to Italian Gothic, and the later *SS Sergius, Bacchus and Justina* by the Kerkyran artist Michael Damaskinos is triumphantly in the Italian manner. These works set the scene for El Greco, an accomplished icon painter who worked in many styles before moving to the west. The exhibition contains the very Venetian *Adoration of the Magi* from the Benaki Museum, and a recent conservation X-ray has discovered the presence of an underdrawing on the panel, quite unlike usual Greek practice. The floating cross-valuted ruin in the background has great panache: El Greco was a designer of architectural settings, and might have been employed in this capacity by Titian. Equally interesting from a scholarly point of view would have been the promised *Dormition* from Syros where recent cleaning has revealed an entire signature of the artist. Regrettably this has not been allowed to leave the island and the show rather fizzles out.

A Piece of My Mind/Apollo

Michael Coveney

This is Peter Nichols's first play since he announced his retirement from the theatre, and at least he has the good grace and honesty to present his public unblocking operation as the tacky sideways shuffle of a middle-aged billious obsessive eaten away with murderous envy of other, more successful playwrights, and one in particular, who is Miles Whittier.

No playwright since O'Neill and Strindberg has been more overtly autobiographical than Nichols. Even the unhappy Pirandello disguised his private life in a few discreet veils. One of Nichols's many rug-pulling tricks in his unbuttoned confessional mêlée is to incorporate the critic and his glib generalisations, pious regrets and references to world drama. I am not sure that anyone except other critics will actually enjoy these forays; still, I remain undeterred from commenting upon the Pirandellian nature of this play.

The distinguishing feature of Pirandello's great trilogy of "theatre in the theatre" is the squeezing of drama from a lot of theatrical lemon. Up to now, Nichols has used music hall and other direct address techniques without actually breaking through the fourth wall. Here, after an opening burial of the author whose nurse/widow is seduced at his funeral by Whittier, George Cole as Ted Forrest steps forward and explains why a stage hand just appeared at an open door.

So it continues, with entrances through the stalls at a prize-giving ceremony, buried cuddly toys demanded back from the audience and, all the while, each scene assessed and submitted for the approval of a television director, or an agent, or the wife.

The cumulative effect is raggedy and painful as the sleeping muse of Ted Forrest, the man whose *Going Dark* won prizes but emptied the stalls, tries everything to kickstart his muse and turn his private life once more to theatrical account. Ted sees himself as a middle-aged man living in a mean time. And unproductiveness is metaphorically aligned with sexual impotency; there is a marked shortage of lead in his pencil.

Nichols is the first to acknowledge the grim absurdity of the underpaid creative life while fiercely defending his right to live it. This lends his outpourings a startling integrity laced with an endearing bitterness. Life in two rooms in Kilburn with screaming brats and a wife who berates him for having a few drinks is transformed with a fee for a rubbishy film script (the Nichols parallel is the Dave Clark epic *Catch Us If You Can*). They move to Chiswick.

Humiliating visits to poncey TV directors' offices and voraciously fickle literary agents are mingled with snapshot fantasies in "Swinging London," encounters with craven journalists who remove their clothes or blonde Swedish academics who appear in bath towels and ask the subject how highly he rates the plays of Alan Ayckbourn, or how seriously he assesses Arnold Wesker's contribution to socialism.

There are lots of private jokes that sound like revenge and will mean little or nothing to most playgoers. The agent is clearly a parody, not all that good, of Margaret Ramsay. And Miles Whittier may sound on paper like Tom Stoppard — he is "married to that media person" and has written about a chance encounter on a cruise to Turkey of Ghandi, Kipling and Dame Nellie Melba that the critics have dubbed "a sort of Look Back in Ankara" — but he looks and sounds in the flesh like David Hare.

Patrick Pearson's Hare apparent arrives cocksure and smiling in the agent's office in a green blazer and cravat. But Whittier becomes a distilled amalgam of everything Ted Forrest hates about *all* rival dramatists: he is the one, according to a Minnesota reference work, whose grace and erudition Ted lacks; the one who sucks up to journalists, hobnobs with royalty and is a subject of serious profiles; who has a Pullman train named after him and has received the Queen's Medal for Export. He is clearly also Andrew Lloyd Webber and the Royal Shakespeare Company.

Mr Cole ambles amiably through all this, suggesting the whole farrago is an average night's meditation in the study or on the lavatory. It is the calmest representation of an angry old man I have ever seen, and slightly boring. Justin Greene's production, which originated at the Nuffield, Southampton, is strongly cast with Anna Carteret as the wife, Jerome Willis as the critic (no one we recognise) and Gwyneth Strong as the fantasy figures.

Martin Johns's design encloses the unruly but heartfelt sentiments in a great curving facade of the Herefordshire retreat, from which Ted looks out with disdain upon both a field of indolent, boring sheep and the customers he is hoping one day to entertain once more.

Alastair Muir

Anna Carteret and George Cole

Batsheva Company/Sadler's Wells

Clement Crisp

The Batsheva Dance Company, returned to Rosebery Avenue for a week's visit, brings a repertory altogether more lively than on previous appearances. The emphasis is upon the newer American dance of Mark Morris and Daniel Ezralow, once the statutory opening explosion of energy — Gene Hill Sagan's *Suite en bleu* — is out of the way. This is a piece as exhausting to watch as it must be to dance, where bodies fling themselves about the stage in a state of advanced restlessness while Bach's third orchestral suite is played. It is better to ignore the dancing, which looks as laboured and uncomfortable as the choreography, and concentrate on the music — something which the steps largely fail to do.

There could be no greater contrast than Mark Morris's *Canonic Studies* which follows. This is a series of throw-away jokes and throw-away choreographic ideas, remarkably succinct, about piano waltzes that are made more predictable or banal by their arranger (though well played by Philip Gammon). Czerny, Anton Rubinstein and friends, have the mickey taken about their compositional procedures by Mr Morris's ultra-dry perceptions: scooping musical phrases matched by falls; compositional clichés set against physical repetitions and actions stale from a hundred ballets. It is winningly performed by its cast, who make every point without fuss.

Two works by Daniel Ezralow complete the programme. Mr Ezralow (whose *Irma Vep* joke recently entered the London Contemporary Dance repertory) has worked with Paul Taylor, Pilobolus and Momix, and his artistic genealogy shows in these present creations. *Suspikt* (the title is nowhere explained) and *Dogfish* are crammed with movement ideas — Mr Ezralow seems to have a hyper-active physical imagination—that are scatter-shot with too little evident organisation. *Suspikt* is the more intriguing of the two. Set to incomprehensible songs and some Indonesian music, it flings a dazzling sequence of incidents at us, concerned with Venetian blinds, geriatrics, people undressing, urban derelicts. It holds the eye if not the mind.

Dogfish is Pilobolus territory, its cast seen as various sorts of marine life, cleverly enough done, but ultimately unrewarding for all the physical ingenuity displayed. The Mark Morris work, with its economy and absence of fuss, is the one that lingers in the memory at the evening's end: there is a message there for the company.

Fassbaender/Wigmore Hall

Max Loppert

Brigitte Fassbaender, who this week gives two Lieder recitals in London, is now one of the select band of singers who sell out the Wigmore Hall (in the first of the recitals, on Tuesday, Miss Fassbaender sang Schoenberg's *Book of the Hanging Gardens* as her first half; anyone who draws a large London audience to Schoenberg can truly be considered a member of the performing elite!). The acclaim is understandable, and justified: the German mezzo is one of the rare artists who cuts across the niceties and the decorum of the song-recital form. At her best, as in the two Brahms encores, she communicates with a vividness worthy of Lotte Lehmann: eager, impulsive, a wonderful story-teller, with a way of fusing passion and intelligence into an incandescent union.

The programme, somewhat short measure, was perhaps not ideally chosen to represent that best more than fitfully. The main Brahms selection occupying the second half, 10 songs in all, numbered rather too many dour items—when Miss Fassbaender sang (as an encore) *Der Schmied* with an exhilarating comic lightness, one realised retrospectively what had been missing in the balance earlier. In its current estate the voice, fascinating in its tangy colours and fearless use of emphatic chest register, lacks evenness of emission and calm fluency of line for songs like *Auf dem Kirchhofe* or *An eine Aeolsharfe* (which Wolf set more economically and pointedly). But when piling on the urgency, in *Im Garten am Seegestade*, she was irresistible.

The Schoenberg cycle, which David Murray's programme note praised above all for its communicative power, was indeed communicative in this boldly shaded reading, in which the words dictated the vocal colours and through which a line of dramatic intensity ran exactly along the graph of passion plotted by the structure. It wasn't, alas, a very accurate delivery of the vocal lines—intervals were regularly misread (foreshortened, as at the end of the 11th song) and rhythms sometimes inaccurately scanned. This did matter—Schoenberg's music is profoundly *meant*—but it would have mattered far more if the singer had sung the work accurately and passionlessly. The pianist was Irwin Gage, a very alert partner for Miss Fassbaender, though his fingers tended to let him down in fast, loud and light figuration.

LPO/Festival Hall

Andrew Clements

Nielsen's Sixth Symphony rounds off the canon in a thoroughly unconvincing way. It possesses a similar unnerving quality to Shostakovich's Ninth and Prokofiev's Seventh: the simple outlines and limpid orchestration are never quite what they seem. In Nielsen's case he makes the ambiguity of the work obvious (if that is not a contradiction in terms) in the final two movements, when the tinkling percussion and banal melodic invention give the music a curdled, sardonic taste.

Holding the conflicting elements in balance cannot be easy for a conductor, and the symphony offers no triumphant or tragic apotheosis to send an audience home feeling that it has been put through the mill and come out better for the experience. For those reasons the Sixth has become the least performed of Nielsen symphonies, and its appearance in Tuesday's London Philharmonic concert was extremely welcome.

Okko Kamu delivered it with massive assurance, taking every element at face value but neither guying its eccentricities nor elaborating its moments of genuine warmth, when the expressive world of the Fourth and Fifth Symphonies is fleetingly revisited. Kamu did not make the case for establishing the symphony permanently in the symphonic literature; it's always going to remain on the periphery, revived occasionally for its exposition of the fragmentary, rather frightening world of Nielsen's final years.

Kamu had begun with a rapt, spacious account of Sibelius's *En Saga*, laying emphasis on the score's moments of still contemplation and fugitive impressionism (how many unexplored Sibelian avenues this first tone poem suggests!) and playing down its brassier assertiveness. He and the orchestra also provided rousing support for Chaikovsky's Violin Concerto, a foundation which Nigel Kennedy proceeded to disdain with a view of the concerto which veered between the histrionic — savagely chopped chording, vertiginous accelerandi—and tight lipped lyricism.

At no point did it begin to cohere into a consistent performance.

'Caught in the Act' at the Phoenix

The 1912 French farce *Caught in the Act* is opening at the Phoenix Theatre, Charing Cross Road, on April 21, directed by Braham Murray. The cast includes Gabrielle Drake, Michael Denison and Lee Montague.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 27–April 2

Exhibitions

PARIS

French drawings: At the beginning of the 18th century Louis XIV's love of the grandiose gave way to an art more intimate, more pleasing. A new generation of artists around Antoine Watteau introduced colour as well as a lightness of touch into their drawings under the influence of Venetian and Flemish masters. Musee du Louvre, Pavillon de Flore. Closed Tue. Ends June 1. (4260 3926).

Rembrandt: The exhibition of 341 engravings is exceptional for the proofs showing the stages of Rembrandt's creative process and its imaginative presentation. Landscapes, genre scenes, portraits and autoportraits and biblical scenes testify to the diversity of inspiration and the technical mastery of the painter who was the first to consider engraving as a autonomous artistic expression. Bibliotheque Nationale, 58, Rue Richelieu. Ends May 3 (4703 8126).

Gerard Larguier: the artist celebrates his American inspiration by his choice of themes – American football among others – and by his style – hyper-realism, tempered here by a play of transparencies expressing movement. Jean-Pierre Joubert Gallery, 38 Avenue Matignon. Ends Apr 10 (4562 0715).

Daniel Buren. Having acquired fame with his controversial columns in the Palais Royal gardens, Buren, obsessed with vertical stripes, has taken over the exhibition spaces of the Musée des Arts Décoratifs. The stripes cover everything from a specially erected staircase to china plates and their dressers, from walls to television screens. The colour of the stripes may vary, but the inspiration does not – and the initial surprise turns quickly into a long drawn-out tedium. Musée des Arts Décoratifs, 107 rue de Rivoli (4260 3214). Ends Apr 26.

LONDON

The Royal Academy: British Art in the 20th Century is a major exhibition full of interest yet to some extent misleading. The mistake was to try and give a comprehensive overview of "The Modern Movement" – the show's subtitle. But the subject is just too big and the gaps are obvious. Concentrate on what is there, rather than what is not, and certain strengths in British Art in this century do manifest themselves. The Abstract tradition and its development deserves a show of its own, but here it is the figurative tradition, quietly expressionist, romantic and always idiosyncratic that makes its point. The British do not fit easily into schools and pressure groups of lasting or particular influence, but individuals bear comparison with the best of their foreign peers. From Sickert and Paul Nash, Gwen John, Matthew Smith and Stanley Spencer, to Bacon, Freud and Auerbach, there is much in which to take real pride. Sponsored by BP, the show ends on April 5 and moves to Stuttgart.

WEST GERMANY

Bonn, Städtisches Kunstmuseum, Rathausgasse 7: A retrospective by August Macke (1887-1914). Born in Meschede, Macke studied in Düsseldorf and Berlin under Lovis Corinth. He did much of his work in Bonn, and was responsible for a new art form Rheinische Expressionismus, before the First World War. His journey in the spring of 1914, with Paul Klee and Louis Moillet, to Tunis became a landmark in art history. In the same year he was sent to the front in France, were he died, aged 27 in action in Champagne. Ends May.

ITALY

Venice: Palazzo Grassi: 'The arcimboldo effect': a curious and stimulating exhibition centred on the neglected 16th century Milanese mannerist painter, Giuseppe Arcimboldo. Much appreciated in his own lifetime for his extraordinary composite portraits, in which the features of the sitter would be composed of the tools of his trade. – Pots, pans and vegetables for the cook (which turned upside-down becomes merely a still-life) or books for the librarian. – Arcimboldo spent most of his working life outside Italy, in the service of three Hapsburg emperors. Included is his arresting portrait of Rudolf II as the Etruscan god Vertunno, made up of fruit, vegetables and ears of corn. The exhibition contains works by Arcimboldo's predecessors, such as Leonardo, Durer and Posch, as well as those of artists active in the early years of the 20th century. It attempts to draw links. – some obvious (Dali, de Chirico, Man Ray and Duchamp). Ends May 31.

Milan, Pinacoteca di Brera: Impressionist Paintings from American Museums – 47 works from the splendid collections held by the Metropolitan in New York and the National Gallery in Washington. Includes works by Boudin, Cézanne, Corot, Degas, Van Gogh, Manet, Pissarro, Renoir and many others. Ends May 10.

Rome, Villa Medici: Sartre and Art. The pictures Jean-Paul Sartre would have chosen for his own ideal museum – and a very odd selection they are. Three atypical Tintorettos (seen by Sartre on his first visit to Italy and Simone de Beauvoir in 1933), together with his comments, and works by Alexandre Calder, Giacometti, David Hare and others. The exhibition includes numerous portraits and photographs of Sartre – both alone and with de Beauvoir on visits to China, Cuba etc. On the whole the works Sartre would have chosen for his museum are depressingly close to his political thought and tell us nothing new about him. Ends Apr 15.

NETHERLANDS

Amsterdam, Nieuwe Kerk. The annual Art and Antiques Fair, this year combined with a special exhibition of Treasures from the Nieuwe Kerk. Ends April 5.

SPAIN

Madrid. Diego Rivera. A retrospective 20th century top exponent of Mexican art, this show offers an ample collection of his works, including a film with his fresco murals, 160 oil and tempora paintings, 119 book illustrations. Centro de Arte Reina Sofia, Santa Isabel 52. Ends June 7.

Madrid, Agustin Ibarrola. Retrospective of Basque artists work, totals 1,000 exhibits: drawings, engravings, oil paintings, cardboards, woodwork of 1950-87. A mural weighting 20 tons and 200 railway tracks carefully and worked on show at the Retiro Park, Palacio de Cristal. Ends April.

NEW YORK

IBM Gallery: This free exhibition space brings to New York shows curated elsewhere, like the present offering of Pacific island masks and statues from the Tribal Art Centre in Basel and Mexican textiles from 85 tribal weavers. Ends April 25. 57th & Madison.

Museum of Modern Art: The first major retrospective in two decades of Paul Klee includes 250 paintings and watercolours and 50 drawings and prints, some by arrangement with the Klee Foundation in Bern which has rarely lent them (including large-format paintings from his later life). Ends May 5.

Cooper-Hewitt Museum: The design wing of the Smithsonian housed in Andrew Carnegie's Fifth Avenue mansion, features a special show on folding fans. Organised by textile conservator, Lucy Commoner, the fans reflected the fashions of the times during their heyday from the 17th to early 20th centuries, as demonstrated in the 80 pieces of various shapes and designs. Ends May 31. (91st & 5th Ave).

Pierpont Morgan Library: Young Queen Victoria, an exhibit of autograph manuscripts, letters, drawings and other memoribilia commemorate the 150th anniversary of the queen's accession to the throne. Ends April 12.

WASHINGTON

National Gallery (West Bldg): The Age of Sultan Suleyman the Magnificent explores the height of art and technical development during the Ottoman Empire in 210 16th century manuscripts, silver, gems, kaftans and ceramics. Ends May 17.

CHICAGO

Art Institute: A retrospective of more than 150 of John Singer Sargent's paintings, watercolours and drawings provides the first major overview of the artist's work in 60 years, with many of his famous full-length portraits, along with landscapes and informal drawings. Ends April 19.

TOKYO

Paul Gauguin (1848-1903): In Search of Paradise. This large exhibition comprising 151 oils, woodcuts, sketches and some sculpture reflects Japan's love-affair with European Impressionism and Post-Impressionism. The first style of Western art encountered by the Japanese when the country opened up to the West in the late 19th century has remained favourite. Works in this exhibition include those from Gauguin's earliest period, showing much affinity to the style of his contemporary and close friend, Van Gogh, and his mature Tahiti period of bright colours and bold patterns. Note the dramatic contrast between Two Nudes on a Tahitian Beach with the earlier Bathers at Dieppe. There is much evidence of Van Gogh's oriental influence. National Museum of Modern Art, Takebashi, near Otemachi business centre and Imperial Palace Moat. Takebashi station, Kitanomaru Park exit. Refreshments on 4th floor. English labels; detailed English catalogue available. Ends May 17. Closed Mon.

Saleroom/Antony Thorncroft

Vienna to the fore

On Tuesday night it was Sotheby's turn to hold its major London spring sale of Impressionist and modern pictures. It could not hope to compete with Christie's and its Sunflowers, but managed an auction record price for a painting by the Viennese artist Gustav Klimt. A foreign bidder on the telephone carried off his portrait of Rose von Rosthorn-Friedmann, painted around 1900, for £1,760,000, within the forecast.

Appropriately enough a portrait, of Anton Peska, by another Viennese artist Egon Schiele, who was much influenced by Klimt, made the same sum. Schiele described himself as "the silver Klimt." This large work, of 1909, will also go back to the Continent.

The auction, of seventy two lots, totalled £16,435,100 with a reasonable 10.85 per cent unsold. There was keen Japanese buying, underlying the current importance of a strong yen on this market. Seibu paid £616,000 for Chagnal's "Le Coq vert," of 1949 and the Fujii Gallery acquired a pretty Renoir portrait "Jeune femme au chapeau" for £561,000, three times forecast. A Monet "view of the Seine went to Yamaso Art for £484,000. Other high prices were the £627,000 paid for "Deux danseuses" by Degas and £484,000 for "Les deux pecheurs" by Leger.

Sotheby's continued yesterday morning with lesser works which totalled £5,871,580 with only 9 per cent unsold. A pretty scene of two young girls reading in a park by Henri Lebasque sold for £143,000, as against a £35,000 top estimate, and yet another work by Henri Le Sidaner, of a lunch laid out in a courtyard, doubled its estimate at £132,000. A Japanese buyer paid £115,500 for a Rodin bronze "L'Eternel Printemps."

The current strength of the Old Master drawings market was underlined at Christie's yesterday when a good selection sold for £682,209 with only 1 per cent unsold. There was a fine collection of works by Giovanni Battista Tiepolo, with an unknown sketch for "The flight into Egypt" making £71,500 as against a £30,000 top estimate. "The death of St Onophrius," by the same artist, also far exceeded forecast, at £44,000.

An even bigger surprise was the £41,800 paid by the dealer Morton Morris for some studies of the Virgin and Saints by Tanzio da Varallo, which was estimated at £7,000. Another Tiepolo, "The Discovery of the Tomb of Punchinello," made the same price. A sketch of saints and a bishop by Il Guercino quadrupled forecast at £39,600 and "The idolatory of Solomon," a previously unpublished drawing by da Cartona, went for £37,400, in a quite exceptional sale.

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Soviet Union's new face

MR Mikhail Gorbachev, the Soviet leader, has always stressed that better political understanding at all levels is a pre-condition for diplomatic achievement. That, rather than the relatively minor concrete agreements finalised in Moscow, is likely to prove the main contribution of Mrs Thatcher's meetings with Mr Gorbachev this week.

The main point of their exceptionally long nine hours of talks was an intensification of their understanding of each other's point of view. They certainly discussed nuclear arms control problems, but it was always clear that real negotiations would have to wait for the visit of Mr George Shultz, the US Secretary of State in two weeks' time.

New thinking

Mrs Thatcher's visit was made much more interesting by being sandwiched between Mr Gorbachev's agreement in February to drop the problem of medium-range missiles from the package of arms control measures discussed at Reykjavik and the Shultz visit. By force of circumstances, rather than design, the talks centred more on relations between the Soviet Union and Western Europe—in contrast to previous visits to Moscow by West European leaders which have become bogged down in Soviet attack and European defence of what are essentially American policies.

The new political thinking on foreign affairs in Moscow is what Soviet officials call a "multipolar" policy, concentrated less exclusively on the US, but there have been scant signs of Mr Gorbachev doing much about it apart from a visit to France in 1985. Otherwise Moscow has remained as obsessed as ever with relations with Washington.

This obsession with the US may have contributed to a Soviet miscalculation after the Reykjavik summit in October whereby Moscow relinked the INF deal to the general package of disarmament measures in the expectation that the West Europeans would put pressure on President Reagan to make concessions on his Strategic Defence Initiative (SDI).

Mrs Thatcher's visit is the first real sign that Mr Gorbachev now takes more seriously West European concerns over the consequences of an INF deal. This is seen less in diplomatic concessions than in the high priority he gave to defusing fear of the Soviet Union as a threat to Western Europe—an effort to influence public and official opinion which was previously directed largely towards the US.

Mr Gorbachev spelled out at last Tuesday's banquet for Mrs Thatcher why he wants better relations with the West: "We need durable peace in order to concentrate on the effort to develop our society and to address the problem of improving the living standards of the Soviet people." He went on to touch on a recurrent Soviet suspicion that a more flexible foreign policy and more openness about Soviet failings at home will be interpreted in the West as a sign of weakness.

These are reasonable fears. In the past there were many people in Moscow who interpreted every shudder in Western stock markets as an indication that a final "crisis of capitalism" was just around the corner. The last years of Mr Brezhnev have led to similarly absurd expectations in the West that the Kremlin would somehow go bust

Objective reporting

Mr Gorbachev has much to complain of here but so has the west. The policy of Glasnost (openness) has yet to touch Soviet foreign correspondents whose reports of life in the West remain parodies of actual conditions. Objective reporting in the Soviet media would do much more to cultivate a less antagonistic relationship with Western Europe than one interview with Mrs Thatcher on Soviet television.

But overall Mrs Thatcher's visit does show a degree of practical detente and willingness to co-operate which lays the political foundations for agreements on the reductions of arms. Detente between the US and Soviet Union in the early 1970s was narrowly based on their military parity, but without the support of a political consensus in the West on how to regulate competition between the superpowers so as to limit friction. This type of consensus can only be built by discussions like those in the Kremlin over the last few days.

The reality of education

NOT BEFORE time, the Thatcher Government has grasped the initiative in higher education. Its white paper, published yesterday, indicates an approach as firm and as positive as the proposals for schools put forward by Mr Kenneth Baker, the Education Secretary, in his recent series of seeches. Taken together, the package goes some distance towards recognising a widely-felt need for change in Britain's education system—a change that is most briefly summed-up as a move away from a collection of producers' co-operatives that are managed to too great an extent for the benefit of teachers and professors and towards a system that must stand or fall by the service it provides to pupils and students.

It is also an election manifesto. The white paper is in full colour with many glossy charts and protestations of good intent. It counters the years of headlines about education cuts by pointing out that in real terms spending on higher education (others than student maintenance) has grown by 3.2 per cent since 1979. That, plus the pressure for a more efficient use of existing resources, has allowed for an increase of 85,000 in the number of full-time home students. A great deal more is to depend upon efficiency, it seems, since the Government forecasts 50,000 further students in 1990, quite possibly paid for without any increase in funding.

Job security

This suggests that universities will be expected to cast aside manifestations of producer-led provision of higher education such as total job security, equal pay, and very high staffing ratios. They will be required to make normal management choices. Together with the polytechnics and colleges they will increase their search for sources of funds other than the Government—including provision of places for qualified overseas students, use of their premises for commercial purposes, charges for research, and solicitations for grants from industry.

A bracing atmoesphere of that kind might in itself produce university and college administrations that are more conscious of the needs of the economy, particularly for science, engineering and vocationally-qualified graduates. But the Government is proposing other, more direct, action.

The larger polytechnics and further education colleges will be removed from local authority control and established as free-standing institutions in their own right. Their governing bodies will include members drawn from the local business and professional communities. Their funds will come from a new national council, which will contract with them to provide specific education services. A selection of recommendations in the recent Croham Report forms the basis of a reform of the University Grants Committee, which will be replaced by a University Funding Council. It, too, will use a system of contracts. It is likely that commerce and industry will be strongly represented on both councils.

Studied vagueness

The principal fly in the ointment, apart from a certain studied vagueness about funding, is that the talk of targets, and performance, and efficiency, is perhaps a touch overdone. The white paper pays lip service to the value of basic research, and recognises scholarship in the arts, humanities and the social sciences. But it is not really about learning for its own sake and it will for that reason offend those who believe that higher education is in itself an essential concomitant of a civilised nation. Academic excellence does in the end depend upon the freedom of inquiring minds to follow wherever learning may take them. The Government does not show sufficient awareness of this.

The business community should, however, respond to the many signals in the paper. Its publication came one day after the launching of a new Council for Industry and Higher Education which, under the chairmanship of Mr James Prior, has 22 heads of large companies plus 10 vice-chancellors, polytechnic directors and heads of colleges on its governing body. Set against the council's proposed strategy, the white paper falls somewhat short on both its proposed funding and its breadth of outlook. If the Government is to look to business for support of its welcome initiative, it will have to pay heed to the views of the business community.

Harley-Davidson

Riding free again

By Roderick Oram in New York

AT its lowest ebb, Harley-Davidson turned out better advertising slogans than motorcycles. "Turn on your thunder," evoked the pleasure that generations of American riders experienced as they roared across prairies or stormed mountain passes on their Hogs—the raw and raucous remnants of the US motorcycle industry.

Mystique, however, was never enough. Just like Britain's motorcycle industry, Harley fell victim to Japan's first-wave assault on western markets. Left alone to fly the battered American flag, Harley saw its dominance of the heavyweight end of the market swamped by a flood of cheap but reliable Hog lookalikes from Honda, Kawasaki, Yamaha and Suzuki.

Now, four years after Washington slapped protective tariffs on Japanese manufacturers which it found guilty of predatory pricing, a revitalised Harley has surprised trade officials by calling for tariffs to be lifted. The initial five-year regime, which involved tariffs declining from 45 per cent in 1983 to 10 per cent in 1988, still has a year to run. But Harley says it is ready to go it alone.

"We're profitable again. We're recapitalised. We're diversified. We don't need any more help," Mr Vaugn Beals, chairman and chief executive, explained to trade officials.

"It's a man-bites-dog story," says Mr Michael Smith, the deputy US Trade Representative, who is used to companies coming back to ask for more, not less protection.

The sole survivor of 148 companies which built motorcycles in the US, Harley has finally regained its position as market leader for motorcycles over 850cc, supplying 34 per cent of vehicles registered last year. The California Highway Patrol, which turned to Japanese suppliers for a decade when Harley's fortunes reached their nadir, resumed purchases from Harley in 1984.

Profits are still meagre—net profit on sales of \$295.3m (£184m) last year totalled only \$4.3m (£2.7m). But in 1982, Harley's blackest year, the company made a loss of \$25m on sales of \$210m.

Harley feels it has achieved many of the goals it set itself in the first two phases of a 15-year regeneration plan, said Mr Beals, in an interview in Milwaukee last week, where three Davidson brothers and a Harley went into business in 1903.

The first phase in 1975-80 saw heavy investment by its conglomerate parent, AMF, in new product development. But as production techniques remained grossly inefficient, poor quality was still a problem.

The second phase 1980-85, saw a crash overhaul of manufacturing along Japanese lines, following three main principles: just-in-time supply of components from suppliers or manufactured in house; statistical process control to detect errors and tackle the quality problem; and employee involvement in production decisions at every stage. Flexibility was aided by a management buyout of the company in 1981.

Looking good: Vaughn Beals, Harley-Davidson's chairman and chief executive, with (right) Willie G. Davidson vice president of styling.

Tariffs and a rising yen helped. Protection stopped "the hellacious escalation of inventory" by the Japanese who were importing at twice the rate of retail sales, says Mr Beals. In retrospect, it turned out that Harley was caught on its home ground in a war between Honda and Yamaha for world market domination.

But despite tariffs and a 40 per cent appreciation of the yen against the dollar, prices of Japanese machines have risen only 10 per cent in the past two-and-a-half years, Mr Beals says. Harley has pegged its cheapest model, accounting for about one quarter of sales, at \$3,995 for the past three years, close to the Japanese equivalent. But prices of the rest of its output have risen 3 per cent to 4 per cent annually for the last five years and the top end at around \$10,000 is nearly double Honda's prices.

Reorganising Harley's manufacturing process was a major challenge. Like other US companies, Harley was won over only slowly to superior Japanese techniques. "As late as 1979 we still thought the Japanese success was built on culture, company songs and low wages," says Mr Thomas Gelb, vice president of operations. Although Harley started quality circles in 1978 "it was 1981 before we figured them out," adds Mr Beals.

The emphasis was on using existing equipment better rather than costly investment in new machinery. The biggest problem was getting middle and lower managers to change radically their attitude to hourly workers. "It was as threatening as hell," says Mr Mark Tuttle, vice president of engineering, to give up the old attitude of "hang up your brains at the door; we want only your hands."

Important efficiencies were achieved by rearranging existing equipment. Today, metal tubes enter one end of the factory, travel through in a straight line and leave at the other three hours later as motorcycle frames, untouched by robots. Previously, the tortuous trip around the building, much delayed by excessive handling and storage between manufacturing stages, took 72 days.

It takes 45 per cent fewer hours to turn out a complete motorcycle while the number of machines leaving the production line with faults has fallen to 2 per cent from 50 per cent. Absenteeism among a workforce which has been cut from 4,000 in 1982 to 2,300 this year, is down to under 2 per cent compared with up to 7 per cent in 1981.

"By 1983, people were coming to us to learn what we were doing," Mr Beals says. So far employees from 100 companies, including the big three car makers, have attended Harley manufacturing seminars.

But the final goal of cost comparability with Honda has yet to be achieved—even though Harley's wage rates are lower. It is still behind Honda on, for example, die casting of engine components and fabrication of glass fibre parts.

"It's really a question of who can manage their plants better, Harley or Honda. Right now I'd have to give it to them. But by 1990 I don't intend to, says Mr Beals.

Harley is looking for other products to which it can apply its new manufacturing techniques. Its other main products are bomb casings and small rocket engines for the US military. "Our 1986 bomb bid was 29 per cent below the last bid five years ago of the only other manufacturer."

Public offerings last July raising \$70m in subordinated debt and \$22m in equity, diluted the stake of directors and officers to about 38.5 per cent and gave the company the funds to diversify. It chose recreational vehicles, the motorhomes and trailers which Mr Beals sees as "bigger toys for bigger boys"—a natural choice for ageing middle class bikers hanging up their helmets.

Last December the company bought Holiday Rambler, a top of the line manufacturer with models priced up to \$180,000. This instantly gave Harley the three-way sales split it sought: motorcycles; recreational vehicles; and motorcycle parts, defence products and other manufactured items.

Mr Beals sees recreational vehicles as "a flywheel" in case the motorcycle market falters again. But the company is eager to preserve the Harley identity and continue to cash in on the intense brand loyalty built up over the years—"Our style is our game," he says.

Today's most popular and expensive Harley range, "softails," are evocations in chrome and two-tone paint of Harley's classic models of 40 years ago. One modern concession, rear suspension, is hidden to preserve the "hard-tail" look.

Harley's success will hinge on its ability to stay in tune with its loyal customers, who are on the whole older, wealthier and better educated than the average motorcycle rider. The challenge will come as the bulge of baby boomers, the next wave of sales prospects, grow into their 30s. For them, the Harley image may not be enough—they may demand a more modern machine.

Either way, age is no barrier. Mr Beals had never touched a bike until he arrived at Harley 12 years ago.

"I was 48 before I'd ever thrown my leg over one of those things. My wife thought I'd gone senile." The bug proved unbeatable. In 1985 he and his wife, along with other senior executives, rode 3,500 miles from coast-to-coast to raise \$250,000 for the Statue of Liberty restoration fund.

THURSDAY BOOK REVIEW

The Age of Terrorism

Walter Laqueur

Weidenfeld & Nicolson £17.95

THE NEW title chosen by Professor Walter Laqueur for an extensively revised edition of his 1977 classic, Terrorism, is a trifle perverse. For two of the points he makes most forcefully and convincingly in the text are that there is nothing new about terrorism and that terrorism today is nothing like as important in its effects on society at large as the attention devoted to it in the media might suggest.

Indeed one of the prime objects of the book seems to be to dissuade us from thinking of our own time as "the age of terrorism," when there are so many other more important things that distinguish it from earlier periods of history.

That is a salutary exercise and Laqueur performs it with gusto as well as formidable erudition. The latter is if anything rather overdone, and in parts of the book gets in the way of the former. Proper names rain down on the reader like hailstones, many of them of 19th century revolutionists likely to be unfamiliar to, or long forgotten by, the general reader. Laqueur does not waste time reminding us who they were, and often does not even bother to endow them with first names—particularly unfortunate in the case of Johann Most, who carries on an appropriately clandestine existence for several pages, masquerading as a mere superlative, before we discover that he was in fact "for many years the high priest of terrorism in America."

Laqueur has rather a soft spot for 19th century terrorists, especially the Narodovoltsy who took up arms against the Tsarist government in Russia in the late 1870s and early 1880s. By contrast he sees today's terrorists as a rather degenerate lot, among whom, one is distressed to learn, "decent and humane behaviour is no longer the norm." But his survey of the latter is nonetheless comprehensive. Everyone gets a mention, from Tamils to Tupamaros and from Sikhs to Sendero Luminoso; and this breadth of sweep is achieved, perhaps inevitably, at the price of a certain impatience with detail. Bani-Sadr has been demoted from President to Prime Minister of Iran (and allowed to resign, whereas in fact he was dismissed), while General Alexander Haig has been prematurely civilianised, becoming Secretary-General of Nato instead of Saceur (Supreme Allied Commander Europe 1974-1979).

Such errors, trivial in themselves, do gradually undermine the author's professional authority, and make one wonder if he should get on quite such a high horse for his charge against the luckless media (American television especially), who are beaten black and blue for their readiness to indulge the terrorists' appetite for publicity and even, allegedly, to endow them with a spurious glamour. In my own view the former charge is largely justified, but raises difficult questions about the fine line between responding to public demand for certain types of news and actively stimulating that demand. The latter charge is no doubt true in specific cases, but less generally so than Laqueur suggests. Can one seriously argue that a sympathetic public image of terrorism or terrorists has been created?

In at least one instance Laqueur himself stoops to sloppy journalistic practice in his attack on journalists, when he asserts that during the 1985 TWA hijack crisis "ABC reportedly paid Amal \$30,000 for sole access to a hostage interview session and \$50,000 for the 'farewell banquet'." Journalistic ethics would surely have required the professor to mention that ABC have categorically denied this charge; and academic diligence might also have led him to consult the article by Charles Glass, the ABC reporter on the spot, in the Colombia Journalism Review—the more so as Glass voices strong reservations of his own about the television approach to such stories.

For all that, Laqueur's book remains a thought-provoking and often amusing read, and it efficiently demolishes a number of widely prevailing myths. The efforts of other academics to produce all-purpose sociological and psychological explanations for terrorism are given short shrift. Even the search for a consensus on definition of the term is dismissed as vain, though "a working definition is certainly not beyond our reach."

Laqueur insists on the diversity of terrorism and observes that only where it feeds on ethnic or confessional antagonisms, rather than purely socio-economic ones, does it generally succeed in winning a degree of mass support and maintaining itself over a period of time. He finds no positive correlation between the growth of terrorism and economic deprivation or oppressive government. On the contrary he asserts repeatedly — well aware that in doing so he makes the reader uncomfortable—that the only political systems which can and do succeed in suppressing terrorism are "effective dictatorships."

There may be an analytical element in this statement (an effective dictatorship could be defined as one capable of suppressing terrorism) but its corollary is important: no democracy, however perfect, is immune, and the greater threat that terrorism poses to democracy is that the latter, by overreacting, may destroy itself.

Men and Matters

Man for all markets

If IBM wants to remind the world — and itself — that its first initial stands for "International," its choice of Kaspar (Kap) Cassani to become joint second-in-command to John Akers, the company's chairman, could hardly bebettered .

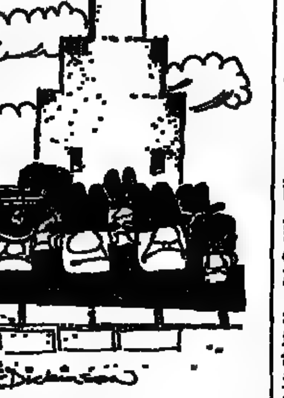
In his last job as president of IBM's Europe/Middle East/Africa division (EMEA) Cassani liked to emphasise his cosmopolitan credentials by pointing out that he was a German-speaking Swiss with an Italian name who supervised operations on three continents from a base in Paris.

The bluff but good-humoured Cassani, aged 58, is only the second non-American to be appointed to IBM's corporate management committee, its executive inner sanctum. The first was Jacques Maisonrouge, whom Cassani succeeded at EMEA and who returned to his native France last year to head the industry ministry.

Akers has also done Cassani the honour of asking him to stay in his new post of executive vice president beyond IBM's normal retirement age of 60.

Cassani has presided over a period of exceptionally strong growth by IBM in Europe, helped partly by the dismantling of nationalistic computer procurement policies. Since 1981, when he took over, EMEA's revenues and profits have both roughly doubled in dollar terms, outpacing IBM's worldwide growth rate.

He has also impressed his US superiors by his deft political touch—a valuable asset in Europe, where many governments view IBM's power with suspicion and fear. He played a key role in negotiating a settlement of the EEC anti-trust case against the company three years ago, and has pushed hard, though with mixed results, to deepen IBM's involvement in Europe's monopoly telecommunications markets.



"Nag, nag, nag — has she gone home yet?"

Open court

Mr Justice Hoffman, one of the three South Africans on the High Court bench, is at risk of being cast in the role of Fleet Street's favourite judge.

He has this week come out looking like a champion for for press freedom with his ruling that Department of Trade inspectors probing insider dealing rings could not compel a journalist to disclose his sources.

What is not so widely known is that on the same day Hoffman also struck a blow for open justice—a matter which has been giving London legal journalists cause for concern because of the growing number of hearings being held in private.

Giving his judgment on an attempt by Ernest Saunders, the former chairman of Guinness, to stop his solicitors also acting for his former co-director at Guinness, Olivier Roux, Hoffman mentioned that when the hearing started he had rejected a plea by both sides that he should sit in private.

One of the grounds for the application, he said, had been that publicity might cause embarrassment to one side or the other," or possibly to both.' That reason was "plainly insufficient," said Hoffman.

Prior engagement

Still only 32, David Prior, son of politician James Prior, has already had three careers — the law, merchant banking, and the steel industry.

He is now moving into his fourth by joining the acquisitions business of Quadrex Securities.

Gary Klesch, chairman of Quadrex, is drawing freely upon British Steel Corporation management talent to strengthen his acquisitions and leveraged buy-out team, which is, he says, currently looking at both national and regional British companies.

In addition to Prior, who is currently the commercial director of the corporation, Klesch has wooed and won Geoffrey Wilkinson who has been with British Steel for 13 years, and is now manager of the merger and investments arm. Previously he was a financial controller and chief economist.

David Prior began his career as a lawyer, qualifying as a barrister in 1976 after Charterhouse and Cambridge. Sir Ian MacGregor, former chairman of British Steel, met Prior, who was then working for Lehman's the bankers, took him to Lazard Freres in New York, and later made him his personal assistant at British Steel.

In just seven years Prior has made his way up from an adviser's role in the British Steel chairman's office to the commercial director's chain. On the way he gained valuable practical industrial management experience running British Steel's £200m-plus turnover stockholding business.

Poetic touch

Japanese industrial companies have had a successful run for their money in Britain in recent years. But their mores can still prove a little hard for the natives to digest.

In South Wales, Orion UK, a Japanese electronics company, and the EETPU, the electricians union, have reportedly been "close" to signing a single-union agreement for weeks.

But the final signature has been delayed because of a problem of translation. Union officials who asked for a version in both English and Welsh of the company's usual terms and conditions of employment, found what they considered were one or two unacceptable phrases.

As one trade union official put it—what may be normal in Japan does not necessarily go down well in South Wales. Among the phrases the boyos thought a little on the militaristic side was one stating that workers were under no circumstances to put up religious or political literature on the factory boards.

Another insisted that workers were not to loiter within the factory walls once the bell had gone marking the end of their shift.

The local management is now understood to have agreed to ask their headquarters for something a little more lyrical, and capable of being sold to employees by their somewhat anxious shop stewards. A more poetic touch looks set to become the trend as the Japanese consolidate their hold on deepest Wales.

Fatter profits

After announcing a highest-ever profit of £143.8m yesterday Guardian Royal Exchange treated its guests to profiteroles for their pudding.

Observer

ECONOMIC VIEWPOINT

Don't declare war on Japan

By Samuel Brittan

LIKE MANY potential disasters, the present American-Japanese struggle is said to have begun with a lunch. It was between three important American officials—one, a hard-line adviser to US trade representative Clayton Yeutter—and the deputy head of Miti, the Japanese Ministry of Trade and Industry. The latter is a protectionist "industrial strategy" type ministry which unthinking mercantilist businessmen in Europe and North America want to emulate domestically.

The Miti man naively boasted to his visitors that the US had no chance of selling super-computers in Japan, whatever the price and exchange rate. The anger of the American officials helped spark the tariffs against Japanese computer products in retaliation for non-compliance with voluntary restrictions on semiconductor exports.

The odds, however, are that there will be a deal involving, among other things, a considerable Japanese order for US super-computers—although perhaps not until after the US tariffs have come into force on April 17.

Instances such as this make one understand why Richard Cobden, the great 19th century English free trader, believed that the more intercourse there was among people and the less there was among governments, the better. A suitable ending would be for the Miti official to fall on his sword; and for would-be imitators of Miti to do likewise.

There have been other cases in which threats of retaliation have reduced trade restrictions, notably the American threat to EEC exports after the admission of Spain and Portugal had shut off US agricultural exports, and which ended in a settlement.

Does the Japanese unwillingness to open its telecommunications market to Cable and Wireless constitute another such case? The British Cabinet is meeting today to consider a series of retaliatory measures. Like King Lear, it does not yet know what they are, "but they shall be the terror of the earth."

The trouble with such threats is that one day the bluff will be called and both sides finish worse off. Future trade wars could set off financial shocks which would make this Monday's stock exchange movements look like ripples in a children's pool.

It is impossible to prevent the British Government from threatening to "do something." But I hope someone will have the courage to tell Mrs Thatcher that telecommunications equipment for Japan is not another Falklands, and to avoid measures which will cut off our nose to spite our face. An example would be retaliation against Japanese financial interests, from which the chief sufferers would be the prestige overseas earnings and employment propects of the City of London.

I hope that the table-pounding Cobdenite of my imagination will observe that the European telecommunications market — and public procurement generally — is hardly wide open to overseas bids; and that the line of retreat which any wise general offers to his opponent will in this case include the opening up of EEC procurements to genuine foreign competition in return for Japan doing the same.

Let us remember, too, that, if the Japanese climb down over super-computers or telecommunications, they themselves will be the main gainers, both as consumers and as producers and exporters who will have access to a wider range of supply. On the other hand, if the US or Britain have their bluff called and retaliate, they themselves will be losers, whatever products are chosen for retaliation.

The most difficult point for any politician, businessman or trade unionist to grasp is that the great imbalances in world economy are due not to policies affecting particular industries but to macroeconomic forces of which the trade incidents are but a symptom.

The necessary and sufficient condition for the US to reduce its current account deficit without plunging into recession is (a) to reduce the domestic gap between savings and investment and (b) to maintain an appropriate exchange rate for the dollar. As the Gatt Secretariat remarks, without such policies trade restrictions, in a way mysterious to their begetters, will simply fail to reduce the trade imbalance.

Britain itself does not even have a noticeable overseas payments gap with which to contend. On a crude visible trade basis British imports from Japan in 1986 at £4.9bn greatly exceeded exports to that country of £1.2bn. But the bilateral balance means nothing in isolation. On total trade, Britain had a crude visible deficit with the world of £13bn. But much of this represents distortions due to the treatment of freight. On a balance of payments basis the visible deficit was down to £8.3bn. After taking into account invisibles, the published current deficit was only £1.1bn or ¼ per cent of GDP.

Even this figure is too gloomy, as unrecorded receipts of nearly £7bn went into the black hole of the "balancing item." There was no overseas deficit, except in the imagination of statisticians.

So far in 1987, the officially published figures show a current surplus; and evn if the modest published deficit forecast by the Treasury eventually appears, it will mean no more than ½ per cent of GDP, or less than one sixth of the American percentage.

Whether Britain runs into a deficit too large for comfort in future years depends on whether the Chancellor (who ought to remain Nigel Lawson) keeps a firm control of domestic demand, on the behaviour of sterling and on the movements of wages and productivity. Specific trade incidents are like corks bobbing up and down on the surface of the sea, which reflect but do not cause the currents underneath.

Meanwhile, contrary to widespread belief, recent exchange realignments have begun to work to improve the main imbalances between the US, Japan and Germany. The headline figures of record US trade deficits and Japanese and German surpluses are trebly misleading.

First they leave out the "black hole" through which the world appears to have a $80bn balance of payments deficit with the moon or some other entity. Second, and more specifically, the monthly US trade figures, unlike the British, are on a crude basis, and not only exclude invisibles, but count imports including freight, while exports are at dockside value. Third, the immediately publicised figures for most countries are of value only and thus exhibit "J-curve" effects in extreme form. By this I mean the effect of devaluation in raising import prices and of appreciation in reducing them. This initially out weighs the volume changes, and thus makes imbalances worse before they get better.

The attached table, taken from the GATT Secretariat, *International Trade in 1986 and Current Prospects*, is of great importance. For it shows that exchange rate changes have already affected trade volumes in the right direction. There are some complications. For instance GATT has taken US National Accounts estimates where these differ from the Bureau of the Census. Extra imports of non-monetary gold from the US to Japan have exaggerated the rise on Japanese imports.

Allowing for complications, Japanese import volume still rose by about 9 per cent last year. The other aggregates also mostly moved in the right direction. Japanese export volume fell. German imports rose faster in 1986 than in 1985, while exports slowed to a crawl. US export volumes also rose sharply in the second half of last year.

Indeed, one of the main reasons for sluggish world growth is that Japan and Germany have not found domestic sources of growth to replace the export-led variety; which in turn has a depressing effect on the countries to which they are linked. This is what GATT calls "the gap between adjustment needs and adjustment capacity."

The main total now out of step is that of US imports which rose by 13½ per cent last year despite a 25 to 30 per cent devaluation of the dollar between March, 1985 and December, 1986. While some key trading partners such as Taiwan and Korea have not followed Japan in currency appreciation, GATT insists that there really has been a 25 to 30 per cent average real devaluation of the dollar, if inflation differences are taken into account.

GATT puts its money on the domestic US investment-savings gap as the main culprit for US trading difficulties. A paper on *America's Foreign Debt* by Shafiqul Islam of the Washington Institute for International Economics explains in some detail how this gap has emerged. Taking the period between 1973-81 and 1986, the fall in the private savings ratio was very slight; and the increase in domestic investment slighter still. The big change was the swing in the general government budget balance from less than 1 per cent of GNP to 3½ per cent. At the same time the current account payments deficit swung from nearly zero to 3½ per cent of GNP.

Although guessing the US structural budget deficit is a mug's game, it will probably decline gradually as a proportion of GNP, and the recent tax package will discourage domestic borrowing at least slightly. Attempts at more rapid adjustment would risk recession and slow world growth even further.

In any case, attempts to speed adjustment without tackling the domestic imbalance will fail. As GATT remarks, neither further depreciation of the dollar nor new trade barriers will have much effect unless they increase US domestic savings, which would be unlikely—or reduced domestic investment, which would be undesirable as well. The main effect would be that US consumers would switch to other products including ones which might have been exported, or which would have an import content.

Moreover, American inflation, which is already expected to rise to 4 or 4½ per cent by the end of the year would receive a further boost.

It is good news that James Baker has again underwritten the Paris accord on exchange rates, and that the Americans and Japanese are both moving to defuse the latest trade disputes. The last thing we need is for Britain, with or without its EEC partners, to stir the embers of a dangerous fire.

Trends in trade volume

(Percentage change over corresponding period in previous year)

		United States Exports	United States Imports	Japan Exports	Japan Imports	West Germany Exports	West Germany Imports
1985		2.1	5.3	4.4	0.4	5.9	4.2
1986		4.1	13.5	−1.3	12.5	1.4	6.3
1986	Q1	0.5	13.0	−0.2	3.6	−0.8	2.8
	Q2	0.0	11.6	−1.0	16.8	4.6	12.1
	Q3	6.7	18.4	−0.3	18.7	0.7	3.7
	Q4	9.4	10.6	−4.1	14.4	1.1	6.7

Source: Gatt

Lombard

Saved by a sunflower

By Michael Prowse

To: Secretary of State, Trade and Industry.
From: Head of Policy Unit, 10 Downing Street.

Dear Paul,

Thank goodness for those brilliant salesmen at Christies. They have found the chink in the Japanese trade armour which you DTI chaps said simply did not exist. Look at it this way. Vincent Van Gogh's Sunflowers is worth around FFr 500—the painter (in a fit of rare rationality) admitted as much before he died. Yet Christies have persuaded an anonymous investor (presumed Japanese) to shell out nearly £25m for this so-called work of art.

This is a stupendous mark up by any standards. Even more remarkable, it was achieved in a sales-pitch lasting only two minutes. If we could achieve a comparable mark up on even 20 per cent of British exports, the UK's economic problems would be over. We could all live like Victorian squires.

This prospect is so enticing that I have conducted a lightning economic analysis of the Sunflowers sale. There must be lessons here for all British exporters. The most important, I suggest, is a point long stressed by Lord Young: the customer comes first. The UK's problem in recent decades has been in trying to sell things that nobody (least of all the discriminating Japanese) wanted—and who can blame people for not wanting our motor bikes, cars or fridges? In future we must concentrate on selling the things that foreigners want.

Japanese investors' willingness to pay vast sums for old paintings doesn't just prove that they have no sense of the value of money (a glance at the Tokyo stockmarket is sufficient to establish that), it reveals an important psychological weakness. Japan is becoming a nation of snobs; having lived in rabbit hutches and slaved for the past 40 years, they now want to feel patrician, distinguished and superior. Our (or rather your job at DTI) is to cultivate these appalling tendencies and to ensure that the British supply response is adequate.

The Japanese are evidently acquiring an insatiable taste for what the late Fred Hirsch called "positional goods." These are things which are inherently in short supply and which serve as status symbols for their owners. They have the wonderful property that they are wanted in large part because they are expensive. This means that demand tends to rise rather than fall as prices increase. The ludicrous sum paid for the Van Gogh will thus tend to increase demand for Old Masters and confer windfall gains on those lucky enough to own them.

Some economists are rather disparaging about positional goods. They argue that, since they are by definition artefacts which already exist, they cannot be freshly manufactured: as a consequence their sale does nothing to promote employment or growth. This is no disadvantage in our peculiar circumstances: it is surely a positive advantage to be able to sell something that doesn't need manufacturing — an activity at which we have not excelled for at least a century. The sale of a family heirloom will certainly do more to inject spending power into the UK economy than the failure to sell a microcomputer.

The question then, is how to achieve a massive switch in the composition of UK exports. You people at the DTI have got to stop worrying about old-hat sectors like financial services or electronics (where the Japanese are already gaining superiority) and concentrate on positional goods. I know that the stock of such goods has already been severely depleted (the West Germans and the Americans before them went through the snobbish patrician phase when their economies were strong). But remember that what is positional lies mainly in the eye of the beholder: those guys at Christies could probably convince the Japanese that a hamburger is a status symbol.

My recommendation is that the DTI stops snivelling about Japanese import restrictions and concentrates on marketing the goods Tokyo cannot live without. You could do worse than set up a division to promote the export of Goods With Snob Appeal. There are plenty of unemployed aristocrats who would make ideal figureheads.

Yours ever,
Brian.

Letters to the Editor

Free trade principles

From the Rt Hon Edmund Dell

Sir, — Why have you become so hesitant and mealy-mouthed in your advocacy of free trade principles? You say (March 25): "Countries *can* gain by opening up their markets even if their actions are not matched by competitors." (my emphasis). Adam Smith would have bravely asserted "do gain." Adam Smith did not regard any degree of reciprocity as a necessary component of his proposals. Then I have to accuse you of an untypical lack of insight. You say that in threatening sanctions against Japan, and in their rhetoric, the UK and US Governments are showing "*unconscious* acceptance of thoroughly mercantilist arguments." (my emphais). Unconscious? Not at all. The fact that Ministers prate free trade principles and act on mercantilist principles illustrates nothing more than the level of humbug on which international trade discussions are customarily conducted.

My next accusation against you has to be of ingratitude. Presumably you want an open international trading system. Yet the postwar trading system has been created not on the basis of free trade principles but on the basis of the mercantilist principle of reciprocity. It could not have been created other than on that principle. It is only to be expected that governments should be getting rather tired of the exemption from the application of that principle so long allowed to Japan. Next, why do you use such emotional language in describing attempts to enforce reciprocity as threatening "trade war"? Provided these matters are left to experienced diplomats, and kept out of the fervent hands of unilateralist free trade disarmers, there is more likely to be peace than war, and indeed a peace based on fuller reciprocity.

To these charges of hesitancy, lack of insight, ingratitude and emotionalism, I now have to add the last, and most damaging, accusation. You are wrong. It is continually claimed, and by you among others, that a larger market in Europe will be advantageous to this country. If that is true, it must also be true that we surrender an advantage to any competitor country that is permitted free entry overseas to its products while it denies free entry to its own market. Reciprocity is the right principle and, whatever the dangers if it is unwisely enforced, it is the only basis on which the postwar trading system can in the end be sustained.

Edmund Dell,
4 Reynolds Close NW11.

Profit related pay and taxation

From Drs S. Estrin and S. Wadhwani

Sir,—Mr Copeman (March 24) has questioned our statement that the tax advantages of profit related pay are greater than those of share-based schemes. He correctly points out that profit-sharing share schemes give full income tax relief and national insurance relief, while PRP offers only half rate income tax relief and no NIC relief.

Under profit-sharing share schemes, however, an employee only qualifies for full tax relief if he holds the shares for five years. This represents forced saving and may be relatively unattractive because workers cannot usually borrow against these shares. In contrast, under PRP, workers receive tax relief on cash that they can spend immediately. We judge that workers would prefer a scheme that offers them income instantly, even though the tax relief may be less generous. Empirical evidence supports our view. According to a 1985 survey of firms with share-based schemes, in over 60 per cent of firms which offered workers a choice between cash and shares, less than 20 per cent of employees chose shares. This is in spite of the fact that tax relief was offered on shares, but not, at that time, on cash. Since the PRP scheme now offers same tax relief on cash payments, this will further enhance the attractiveness of cash-based schemes for employees.

(Dr) Saul Estrin,
(Dr) Sushil Wadhwani,
London School of Economics, Houghton Street, WC2.

The case for electoral reform

From Mr J. McFarlane

Sir,—It was heartening to see Joe Rogaly (March 26) put his finger so precisely on the most telling argument for electoral reform.

While "fairness" is not to be scorned, much the most important objective is to render impossible the return of an extremist government at some future date.

The only counter-argument Joe Rogaly puts forward is that the "Thatcher revolution" would not have been possible under a coalition government, if such had been the outcome of the 1979 or 1983 election. One may reflect that such a revolution would not have been required, if we had had more represenative governments in the years before that.

To protect her revolution, Mrs Thatcher may hope for Conservative victories through all eternity. This is unreal. Much the most effective way of preserving the headway she has made is to extinguish the possibility of a future hard-Left government. The surest path is through electoral reform.

James McFarlane,
*The Court House,
Atch Lench,
Evesham, Worcs.*

SEAQ and the market makers

From the Corporate Relations Manager of Reuters

Sir,—In your report of March 27 entitled "Reuters to challenge Topic in offering share prices on screen," your correspondent stated that a SEAQ Level 2 feed could be used by Instinet subscribers "to transact automated share deals that would bypass the Stock Exchange's market-makers." Far from bypassing the market-makers, the Instinet system will bring increased order flow to those SEAQ market-makers who use the service. The Instinet system is operated by Instinet Corporation whose subsidiary, Instinet UK Ltd, is a member of the Stock Exchange.

Ten out of the total of 31 SEAQ equity market-makers already used the Instinet system. When the SEAQ Level 2 price feed becomes available on Instinet it will show the prices quoted by all market-makers, whether those market-makers are Instinet users or not, in each of the 101 Alpha stocks. The SEAQ feed will also display the touch price, that is the best buyer's quote and the best seller's quote.

Those SEAQ market-makers who are also Instinet users will be good for 10,000 shares at the touch price. The Instinet market-makers will "queue" for incoming orders. Thus, a buy order placed in the system by an Instinet client for 8,000 XYZ shares will be accepted at the touch seller's price by the first market-maker in that stock in the queue. The next order, whether buy or sell, will be met at the touch price by the second marketmaker and so on by rotation.

M. Cooling,
Reuters Ltd.
85 Fleet Street, EC4.

The CBI and the strength of its membership

From the Chairman, Simon Engineering

Sir,—Mr Mills' letter (March 28) concerning the CBI and its membership is based on the fundamental misconception that the CBI does not represent British industry.

I would suggest that to call an organisation with 250,000 member companies, of all sizes and from all sectors of industry, unrepresentative is a severe miscalculation. Not only that, but Mr Mills then seems to be casting doubt on the CBI's ability to win any concessions from Government.

The CBI's great strength is that it is broad based and can therefore speak for all British business in a way that no single sector trade association ever can. Of course, the more companies who join, the better we can lobby, but we already have a vigorous organisation with great grass roots strength both here in Manchester and throughout the country. It is that grass roots strength which enabled us to lobby Government so effectively for the removal of the National Insurance Surcharge — the jobs tax — and it is that which continues to enable us to lobby both the British Government and the European Parliament.

Mr Mills says that the subscriptions we pay are not worthwhile. I would suggest that we get very great value for money from a staff of only 300 throughout the country, who achieve a total interface on our behalf with the many thousands of civil servants who work in Government departments.

The latest CBI initiative in bringing together representatives of the City and industry will have great benefits for every company in the UK; benefits which could not have come about through the action of any single company or trade organisation.

Obviously the CBI is only as strong as its members and it is therefore important that we continue to join together to lobby Government. Mr Mills should consider how much is achieved for all companies by what he calls the "small proportion of active businesses" who belong to the CBI. He might then begin to marvel at how we do it, rather than trying to cast doubts on our ability.

H. C. Harrison.
*PO Box 31,
Stockport, Cheshire.*

FINANCIAL TIMES

Thursday April 2 1987

Paul Betts looks at the rivalries behind the Riviera's flashy façade

Bombs herald French casino war

Fatal attractions of the gambling table

THE FRENCH Riviera has been shaken by what appears to be a revival of the 10-year old "casino war" which has turned the famous Promenade des Anglais in Nice into a bad "B" movie crime set.

Barely three days before the re-opening of the flashy Casino Ruhl, which was closed by the French authorities five years ago, two bombs this week seriously damaged two restaurants in the port district of Nice.

The restaurants belong to shareholders in the Société Nicoise des Bains de Mer (SNEM) which was authorised by the French interior ministry on Christmas Day to re-open the controversial gambling establishment on the Promenade des Anglais overlooking the picturesque Baie des Anges.

Since Mr Charles Pasqua, the Interior Minister, decided to allow the Ruhl to open for business again, a series of bombs have been planted at the casino in Menton, further down the coast near the Italian border, and in another smaller gaming establishment in central Nice called the Casino-Club.

These incidents are all widely seen as part of the underground warfare between rival groups allegedly infiltrated or controlled by the Mafia and other crime syndicates which have increasingly bedevilled the city of Nice. These competing underground interests are reported to see the casino business not only as an attractive source of profit but also as a way of laundering money.

During the last few years, Nice has expanded considerably. At the same time, its crime rate has risen dramatically. Indeed, the French authorities now claim that Nice is the second city after Paris for drugs and is increasingly challenging Marseilles for the unenviable reputation of "most dangerous" city on the French Mediterranean coast.

The seedy story began in 1974 when the Ruhl was opened with Las Vegas style by Mr Jean-Dominique Fratoni and his partners. Backed by what were then called "the bankers from Rome" and apparently connected to the now dismantled Italian P-2 secret society, the Ruhl was only the springboard for Mr Fratoni's ambitions to build up a casino empire on the Cote d'Azur. He subsequently sought to win control of the casino of Menton and of the Palais de la Mediterranée, a rival gambling establishment on the Promenade des Anglais which is today boarded up and has become a major eyesore.

The battle for control of the Palais de la Mediterranée turned into an unsavoury crime serial featuring dead bodies, the disappearance of the casino owner's daughter, and wheeling and dealing over shareholders' voting rights.

Mr Fratoni, who escaped to Switzerland, was finally sentenced in his absence by the French courts to a total of 13 years imprisonment and fines of more than FFr 400m ($66m) on charges of fiscal fraud and irregularities as well as of buying votes. The casino was closed down in 1982 by the then Socialist interior minister, Mr Gaston Defferre, who was also a former mayor of Marseilles.

A number of proposals were subsequently made by French and foreign investors to re-open the casino but were rejected either by the government or by the Nice town hall. Finally Société Nicoise des Bains de Mer was put together by a number of local investors, some of whom are friends or former assistants of Mr Fratoni and others friends of Mr Jean Medecin, the right-wing mayor of Nice.

With the blessing of the town hall and of the interior ministry, the new company was given the go-ahead at Christmas to re-open the Ruhl despite the apparent shadow of Mr Fratoni hovering over his former gambling establishment. Indeed, Mr Fratoni re-emerged this week with an interview on Radio Monte-Carlo. Speaking from his secret exile, he said he was not hiding the fact that he was giving advice on the management of the casino.

"My son-in-law and my daughter have interests with their own money in the company," he acknowledged. But he added this did not imply the partners in the new company were his associates nor that "I intervene in the affairs of the Ruhl except, and it is totally logical, if my children ask my advice on management."

US trade sanctions on Japan 'could backfire'

By Louise Kehoe in San Francisco

US TRADE sanctions against Japanese electronics goods could backfire on hundreds of companies that sell products which incorporate Japanese electronics, US industry officials fear. In the wake of last week's announcement that the US will impose $300m in punitive tariffs on Japanese electronics, US companies are anxiously assessing the potential impact of the tariffs on their business.

One US company, National Semiconductor, has already lodged a protest against some of the tariffs.

The American Electronics Association, which represents almost 3,000 US companies, has alerted its members to the potentially negative effects of the tariffs. It has also begun an urgent survey to find affected members.

Although designed to punish large Japanese chip producers with punitive 100 per cent import duties on their electronics and computer exports, the tariffs could also create problems for US companies that depend upon Japanese suppliers.

US companies have been assured that the US Administration does not intend to hurt domestic industries with its action against Japan. However, it is clear that some US companies will suffer no matter which products are finally chosen for import duties.

The government action ignores the global nature of the electronics industry, analysts suggest. The fortunes of many US and Japanese companies are intertwined in a complex web of technology and marketing alliances.

The list of products that are candidates for tariffs, published by the Government on Friday, covers a total of $1.8bn in Japanese exports to the US last year. From this list, US trade officials will select a much more limited list of products upon which to impose tariffs.

The "scare list" is designed to frighten the Japanese companies into compliance with the semiconductor trade pact, US analysts surmise.

Although only a small proportion of the products on the published list will ultimately be subject to tariffs, its comprehensive nature will force Japanese companies to reflect upon the potential loss of large portions of their US sales, the analysts suggest.

By far the most significant item on the list of products is computers. Japanese computer sales in the US last year are estimated to have totalled $400m. Leading Japanese suppliers include Toshiba and NEC, both of which sell laptop personal computers, Epson, which sells IBM-compatible personal computers, and Hitachi and Fujitsu, which sell mainframe computers.

Tariffs on Japanese computers would represent a big blow to the Japanese companies, and could prove beneficial to US companies, whose Japanese competitors would effectively be excluded from the US market.

Most threatened by the proposed tariffs is National Semiconductor, the Silicon Valley semiconductor and computer company which sells Hitachi mainframe computers in the US and Europe. Last year National's computer sales totalled an estimated $445m, approximately a third of the company's revenues. Only about half of the computer sales are in the US and potentially subject to tariffs. But National is still threatened with the loss of over $200m in sales.

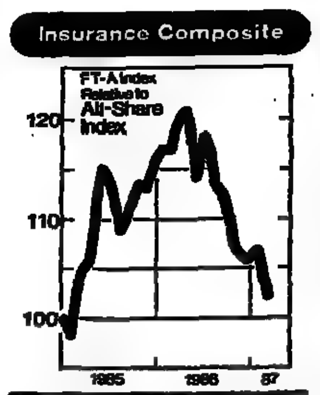
IBM could also be hurt by tariffs on Japanese-made goods. The computer company makes hard disk drives for its personal computers in Japan.

Tariffs on Japanese disk drives could pose the biggest problem for US computer companies, suggests Mr Ralph Thomson, senior vice president of the American Electronics Association.

Tokyo digs in, Page 4

THE LEX COLUMN

Solvency at a discount



Cynicism punctuated by periodic fits of nausea is one way to describe prevalent attitudes to Britain's leading composite insurers. Yesterday's flamboyant £180m pre-tax figure from Sun Alliance should have undermined simple-minded prophecies of impending doom, based on fears of an imminent resumption of rate-cutting hostilities in America.

With only 11 per cent of premiums emanating from the US, Sun Alliance has less to fear than most from a renewed price war there. But in any case the market may have devoted too much time to a neurotic scrutiny of the American underwriting cycle, and too little to a recovery in the UK that may still have two or three years to run. The view from the underwriter's desk was that Sun Alliance benefited from tough rate increases imposed on homeowners (where slightly to its embarrassment it made a pure underwriting profit).

It also showed a commendable readiness to lose market share in stubbornly loss-making British private motor insurance, a class that helped hold Guardian Royal Exchange to a pre-tax figure of £143.8m that only satisfied expectations yesterday. But the policy of putting 40 per cent of its investment portfolio into equities has sent Sun Alliance's shareholders' funds to the £1.7bn mark, and its solvency margin over 90 per cent, a height usually scaled only by General Accident. Viewed like an investment trust, Sun Alliance is now trading close to 50 per cent discount on net asset value. A 34 per cent rise in the dividend seems only right and proper, but Sun Alliance must now be wary of the predatory activity last seen in the battle for Eagle Star.

Gold shares

The relationship between the value of shares in gold mining companies and the price of the commodity they extract ought in theory to be steady and stable. Yet the record seems to indicate that the gyrations of gold shares and gold bullion have as much in common with each other as the prices of cheese companies and chalk futures. While gold mining shares have this year left even rival equities in their wake, the price of the underlying product has been as dull as an income free investment can be.

It is not just a currency effect, even though it is true that the recovery of the financial Rand accounts for most of the increase in the price paid by outside investors for South African mining stocks. The past year has also seen gains of between 60 and 70 per cent in the prices of Australian and North American mining companies. In the case of some of the US brethren the earnings multiples value the companies at more than the market price of the gold they have yet to develop.

Since this implies that investors are convinced that the gold price itself will rise, the flatness in the bullion market is all the odder. One argument is that, because of the costs of production, the companies are very highly geared to slight movements in the gold price. That point could strike shares with a vengeance if the value of the commodity actually weakens, although the ratio between equity and metal is not yet breaking any records.

Hong Kong

The sight of rising trade barriers around the US is calculated to chill the exporters of Tokyo, but it cannot do much for the nerves in Hong Kong either.

The Hong Kong stock market has in fact been sliding with the best of them, but yesterday that had more to do with reaction to the cheeky two-tier share structure which Jardine Matheson appeared to have slipped past the authorities, closely followed by Mr Li Kashing.

Despite talk of legal advice, and the possibility that some of the details may be tampered with, the exchange has probably missed an important opportunity to assert its limited authority, even if it does raise the drawbridge against a rush of imitators.

Jardine's plan to offer four new B shares for each existing ordinary (A) share, with the B's valued at one-tenth the A's, is a foolproof way of retaining or even expanding family control while issuing more paper for expansion.

The merely temporary wrath of the institutions and a hefty downward adjustment of the A's is no doubt worth bearing for such a prize. Unfortunately, the idea of the Hong Kong market imposing effective sanctions against either Jardine or Hutchison does not ring true.

US primes

Despite the markets' initial fears, the quarter-point lift in prime rates by some leading US banks probably did not conceal – or reveal – the hand of the US authorities. The banks' simple explanation that their cost of funds had risen, narrowing their margins and necessitating a rise in lending rates, is supported by the gently rising trend of US money market rates since last autumn.

That is not to say, though, that the move lacks significance. It is not so long since the bond markets were expecting that weak economic growth would encourage the Federal Reserve to cut the discount rate again. That hope had faded recently, though the possibility of a rise in official rates had scarcely been considered until the elimination of oil price effects from the year-on-year figures began to expose bond yields of under 8 per cent to prospective inflation of 4 per cent. Even if a tightening of policy has become more likely, the expectation must remain that the dollar will weaken further in time, and that too makes the US bond market vulnerable.

The question then is whether other markets can find a life of their own. The difference in long-dated yields on US and UK bonds has narrowed to around 1½ percentage points from 3¼ points last December, mainly as the gilt-edged market rallied. While some economists are prepared to bet on the yields crossing over, that would require a faith in sterling, the UK economy and the Tory party which may still be too much for investors looking at the German and Japanese markets as other options.

UK plans to tailor colleges to job needs

By Michael Dixon, Education Correspondent, in London

UK universities and polytechnics are in for a strong injection of the commercial spirit if the Conservatives are returned to power at the next general election, according to a government White Paper (policy document) published yesterday.

It says the time has come to stop planning the provision of degree-level studies mainly on the basis of the wishes of academically bright school-leavers. In future, the number of places available in different subjects must also be tailored to employers' demands for highly qualified workers.

The document raises the previously scheduled numbers of students in higher education from 693,000 in 1986 to 723,000 by the year 2000 – a 14 per cent increase on earlier plans.

But no firm promises are made of extra money for the proposed increase in student capacity, which will be cut back again unless universities, population, especially older people seeking to develop their working skills.

Although it concedes that meeting the needs of the economy is not the only aim of higher education, the document promises vigorous pursuit of "greater commercial and industrial relevance" through close connections between academic staff and people in business.

Such links "help foster the positive attitudes to enterprise which are crucial for both institutions and their students."

To foster the institutions' enterprising spirit still more, the Government plans to make them bid competitively for their supplies of taxpayers' money instead of receiving grants with few, if any, strings attached.

The present University Grants Committee will be replaced by a University Funding Council, including weightier representation of employers and other non-academics, with which universities will have to "contract" for funds.

In judging their bids, the council will take account of the relevance of their proposals to national needs

Editorial comment, Page 22

Israel and Moscow agree to re-open official contacts

BY ANDREW WHITLEY IN JERUSALEM

ISRAEL announced yesterday that it has reached agreement with the Soviet Union for an exchange of official visits in the near future. The announcement coincided with signs of a significant thaw in Soviet attitudes towards Jewish emigration.

It crystalises a year-long rapprochement stimulated by a Soviet desire to re-enter the Middle East peace process and could lead to a restoration of diplomatic ties. The Soviet Union, along with most other East European states, broke off diplomatic relations with Israel after the 1967 Arab-Israeli war.

A historic meeting between officials of the two countries in Helsinki last August broke down after only 90 minutes, when Israel insisted on making the plight of Soviet Jews a top priority.

But subsequently Mr Shimon Peres, the Israeli Foreign Minister, restored a discreet dialogue directly with Soviet officials which culminated in yesterday's Israeli confirmation that agreement had been reached on reciprocal consular visits. The Soviet Union has considerable property interests in Israel, much of it church land, which it says it wishes to inspect.

Mr Meir Rosenne, Israel's ambassador to the US, told the state-run Israel radio there was "no doubt" that the exchange of visits would take place. Other officials said the Soviets could arrive as soon as in two weeks' time, although this may well be an over-optimistic timetable.

Earlier this week US Jewish leaders said they had been assured by the Kremlin during a recent visit to Moscow that up to 12,300 Jews could be permitted to leave the Soviet Union this year for Israel, compared with fewer than 1,000 last year.

Backing up this assertion, the Intergovernmental Committee for Migration, which monitors refugee movements worldwide, said in Geneva yesterday that 470 Jews had left the Soviet Union last month – the highest monthly figure since July 1981.

Thatcher visit seen as triumph

Continued from Page 1

missiles and whether the US will have the right to match the Soviet superiority in this category.

On the bilateral side some trade deals have been announced, but the biggest projects, notably the construction by a consortium led by Davy McKee of a £500m ($800m) polyester fibre plant at Blagoveschensk in the Urals, have yet to be signed in face of tough bargaining and competition. There have also been some bilateral protocols on joint space projects and cultural exchanges, useful but hardly startling.

The most fascinating aspect of the visit has, however, been the relationship between Mrs Thatcher and Mr Gorbachev when even an official Soviet spokesman says: "maybe those who speak of personal chemistry are right," something unusual has clearly happened.

The length of the talks between the two leaders is highly unusual in these days of whistlestop summitry, and appears to reflect considerable mutual interest in each other's views. One British official described them as like "sparring partners who enjoy and like an argument." Mr Gorbachev discovered what Mrs Thatcher's Cabinet has known since 1979.

Mrs Thatcher is said to have been impressed by the directness and liveliness of Mr Gorbachev's approach and his absence of jargon. There was a nice irony that the leaders private dinner on Tuesday was held in a Czarist merchant's house where Stalin's Mr Vyacheslav Molotov met Sir Anthony Eden for talks.

The result is that Mrs Thatcher and Sir Geoffrey Howe, in separate talks with the Soviet Foreign Minister, have gained the longest and fullest insight into Soviet thinking on domestic and international issues offered to any Westerner for a very long time. Paradoxically, this may have reflected the absence of substantive negotiations.

Yet, if Mrs Thatcher has learnt much about the thinking of the Soviet elite, she has not had, and probably could not have had any real opportunity of seeing ordinary Soviet life. The queues, the petty bureaucracy, and the limited choice of goods might all have confirmed her belief in a market economy. The shelves of the supermarket she visited on Sunday were especially filled up for her and were later apparently cleared.

As a footnote, Mrs Thatchers's tactful personal detectives could have given a few hints to some of the over-eager KGB minders on how to handle crowds in walkabouts. But handling the public response to leaders is something with which the KGB is not yet familiar, even under Mr Gorbachev.

Michael Cassell in London writes: Mrs Thatcher will today make a statement to the House of Commons, detailing her visit to the Soviet Union and voicing her hope that it can signal a new era of constructive, if still cautious, Anglo-Soviet relations.

The Prime Minister is expected to receive a warm welcome from MPs in her own party who have been delighted with the reception she received in Moscow and who believe the visit will have improved her reputation on both the international and domestic stages.

Before she left, there was some concern among her own backbenchers that expectations for the visit had been built up too highly and that the mission could end in anticlimax. But one senior minister said last night that the visit appeared to have enhanced the standing of both the Prime Minister and of the country.

The Tory backbench view is that while Mrs Thatcher's role in nuclear arms control negotiations could never have been a direct one, she had helped put across the views of the West. There are also rising expectations that she could follow up the visit with another trip in the White House.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	13	56	Dubrovnik	C	13	55	Malta	F	13	55	Rhodes	F	17	63
Algiers	F	16	61	Edinburgh	R	3	37	Manchester	R	5	41	Rio de J'o	S	35	95
Amsterdam	C	11	52	Faro	S	19	66	Manila	C	32	90	Rome	S	13	55
Athens	R	8	46	Florence	F	10	50	Melbourne	S	18	64	Salzburg	F	4	39
Bahrain	S	23	73	Frankfurt	C	8	46	Mexico City	S	26	79	San Francisco	S	12	54
Bangkok	S	34	93	Funchal	S	18	64	Miami	S	9	48	Seoul	C	8	46
Barcelona	S	15	59	Geneva	S	6	43	Milan	S	10	50	Singapore	S	33	91
Beirut	S	22	72	Gibraltar	S	19	66	Montreal	Sn	-5	23	Stockholm	S	3	37
Belfast	F	6	43	Glasgow	R	4	39	Moscow	C	6	43	Strasbourg	F	9	48
Belgrade	R	3	37	Guernsey	R	7	45	Munich	Sn	1	34	Sydney	S	21	70
Berlin	C	3	37	Helsinki	F	0	32	Nairobi	S	36	97	Taipei	C	25	77
Biarritz	F	12	54	H. Kong	F	22	72	Naples	S	14	57	Tangier	F	16	61
Bombay	S	37	99	Innsbruck	F	5	41	Nassau	R	29	84	Tel Aviv	S	30	86
Bordeaux	F	11	52	Inverness	F	5	41	New Delhi	S	33	91	Tenerife	S	22	72
Brussels	F	11	52	Islamabad	C	30	86	New York	S	1	34	Tokyo	C	9	48
Budapest	F	6	43	Istanbul	F	10	50	Nice	S	13	55	Toronto	S	-5	23
B. Aires	R	19	66	Jakarta	R	32	90	Nicosia	S	25	77	Tunis	R	8	46
Cairo	S	27	81	Jersey	R	8	46	Oporto	C	13	55	Valencia	S	16	61
Cape Town	S	24	75	Jo'burg	S	26	79	Oslo	D	1	34	Venice	F	10	50
Caracas	—	—	—	Lima	S	27	81	Paris	S	10	50	Vienna	C	5	41
Casablanca	S	18	64	Lisbon	C	15	59	Peking	C	10	50	Warsaw	C	4	39
Chicago	C	4	39	London	R	9	48	Prague	C	2	36	Washington	S	0	32
Cologne	S	9	48	Los Angeles	C	12	54	Reykjavik	C	-5	23	Zurich	F	6	43
Copenhagen	Fg	1	34	Luxembourg	F	5	41								
Corfu	R	12	54	Madrid	F	15	59								
Dallas	S	6	43	Majorca	C	10	50								
Dublin	F	7	45	Malaga	S	23	73								

Readings at mid-day yesterday:
C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Baker hopes rates rise is temporary

Continued from Page 1

tinued, pushing up the price of the benchmark 7.50 per cent long bond by almost half a point.

On Wall Street, stock prices fell sharply in early trading with the Dow Jones Industrial Average opening about 25 points lower. However, the Dow recouped half its losses during the morning as bargain hunters stepped in.

Some analysts remained concerned about the interest rate outlook. "My guess is the worst is to come," said Mr Michael Metz, chief market strategist of Oppenheimer, a Wall Street firm.

"Even if the bond market was to settle here, interest rates will not come down. There is a false sense of calm," he said.

Equity markets outside the US appeared yesterday to be taking their lead almost entirely from Wall Street. The Tokyo stock market surged yesterday following Wall Street's recovery on Tuesday. However, investors were nervous that this rise could be reversed after Wall Street's initial weakness yesterday which also undermined share prices in London.

Meanwhile, in the foreign exchange markets the dollar rose in quiet trading yesterday, bolstered by the prime rate increases. The Bank of Japan intervened by buying dollars in Tokyo when the currency was already rising.

The action seemed to be aimed at accelerating and underlining the dollar's recovery and helped push it to a high of Y147.50.

Mr Satoshi Sumita, Governor of the Bank of Japan, said the instability on foreign exchanges would not last long because there was caution about the dollar's rapid decline.

In London, the dollar slipped back from its levels in the Far East to close at Y146.75, still above Tuesday's closing Y146.00. The US currency also recovered ground against the West German D-Mark to close at DM 1.8205 compared with Tuesday's close at DM 1.8065.

SECTION II – COMPANIES AND MARKETS
FINANCIAL TIMES
Thursday April 2 1987

CPC to sell Far East operations for $340m

BY JAMES BUCHAN IN NEW YORK

CPC INTERNATIONAL, the US food manufacturer which is radically reshaping its businesses, is to raise more than $340m from the sale of key holdings in its Far Eastern operations to Ajinomoto, the Japanese food company.

CPC also said the Tokyo-based group would take half stakes in its grocery products operations in Hong Kong, Malaysia, Taiwan, Singapore, the Philippines and Thailand, which together have annual sales of about $100m.

Mr James Eiszner, chairman of the New Jersey company, said: "We are convinced that Asia remains an area with enormous business potential, and we are equally convinced that extending our long-standing partnership with Ajinomoto will assist us in achieving optimal growth in this area."

CPC, which reported flat net income of $219m on revenues of $4.55bn last year, took on a large-scale restructuring plan last autumn after Mr Ronald Perelman, the corporate raider, built up a stake of more than 5 per cent of the company.

CPC, which last week announced the $800m sale of its corn starch and sweetener operations to Ferruzzi of Italy, will sell Ajinomoto full control of their Knorr Foods joint venture in Japan, where Ajinomoto has been CPC's partner for 24 years.

CPC will retain trademark rights and other commercial links with the soup and flavourings producing venture, which has revenues of about $300m.

In addition to repurchasing the Perelman holding as part of a buyback of 16 per cent of its stock, CPC said it would divest itself of its capital-intensive, low-return corn wet-milling businesses and concentrate on its more profitable grocery products operations, which include such brand names as Hellmann's mayonnaise and Mazola corn oil.

The company said the European and Asian sales would help reduce the company's debt, which swelled to $1.6bn with the stock buyback, and allow earnings per share to rise by more than 20 per cent this year.

Our Financial Staff adds: Ajinomoto, announcing the deal in Tokyo, said the new arrangement would allow it to expand the variety and quantity of its processed food products throughout Asia.

The Japanese company is the world's biggest producer of monosodium glutamate and has overall sales of some Y450bn ($3.1bn).

BP opens bid for rest of Standard

By William Hall in New York

BP NORTH AMERICA, British Petroleum's wholly owned subsidiary, yesterday began its $70 a share cash tender offer for all of the outstanding shares of Standard Oil, its US affiliate.

Wall Street analysts believe there is still a possibility that British Petroleum may be forced to sweeten its $7.4bn cash tender offer for the 45 per cent of Standard Oil which it does not own, and Standard Oil's shares continued to trade at a slight premium to the BP offer price yesterday.

The shares, which had risen to $72¾ immediately after last week's announcement of the BP offer, were unchanged at $70¼ yesterday morning.

BP has said that both it and its financial adviser, Goldman Sachs, believe that Standard's shares have been more than fully valued by the market in recent weeks.

Mr Geoffrey T. Boisi, a partner in Goldman Sachs, said last week that the offer valued Standard at 7.2 times 1986 cash flow, whereas Royal Dutch/Shell only paid 5.1 times cash flow when it bought out the minority shareholding in its Shell Oil subsidiary two years ago.

Mr Boisi also noted that the offer price was a 56 per cent premium over the value placed on the company by J. S. Herold, a firm of consultants which specialises in appraising the value of oil companies.

Mr Dillard Spriggs, president of Petroleum Analysis and an oil industry consultant, said yesterday that BP had offered "a pretty good price"

Analysts have noted that Standard Oil's stock has risen by 75 per cent from its low last year.

While many analysts believe that BP has offered a fair price, several analysts have suggested that BP might become enmeshed in legal battles with some minority shareholders in Standard Oil, and this could force it to sweeten its offer to win their acceptance.

The BP offer has recalled Royal Dutch/Shell's $55 a share bid for the minority of the shares in its Shell Oil subsidiary in 1985. The big Anglo-Dutch oil group was ultimately forced to increase its offer to $60 a share to solve long-running litigation.

Analysts were yesterday awaiting the full offer document, which was being filed with the Securities & Exchange Commission, before making their final decision on the fairness of the BP offer.

The document is expected to include extra information about the value of Standard Oil's reserves and say something about future earnings and cash-flow prospects.

Approval of BP's shareholders is required and will be sought at a special meeting of shareholders scheduled for April 22. The offer is not conditional upon any minimum number of shares being tendered.

The offer and withdrawal rights will expire at midnight, New York City time, April 28, unless extended.

When the offer is completed, BPNA intends to effect a merger of a wholly owned subsidiary into Standard Oil whereby any remaining public shareholders will receive $70 a share.

French oil groups clash over accounting methods

BY PAUL BETTS IN PARIS

Mr Albin Chalandon, former Elf chairman

ELF AQUITAINE, France's leading oil and chemicals group, is today due to publish details of how it values its oil stocks in its annual accounts – in the latest move in a dispute among the country's major oil groups about the methods used to report results.

Elf's action is partly a riposte to what it sees as an unfair campaign by some of its domestic competitors and comes at a time when oil groups' annual results have been hit by last year's oil price collapse and the fall in the value of the dollar.

The controversy is not merely a row between accountants. The stakes are especially high for the two big French oil companies, Elf and Total, because both appear anxious to improve their image with investors on international markets, according to several oil industry analysts.

Elf recently reported a 19 per cent decline in consolidated net group earnings to FFr 4.3bn ($716.6m) last year on sales of FFr 115bn. Total, using a different stock valuation method, reported a group loss of FFr 1.5bn on sales of FFr 95bn last year compared with a group profit of FFr 1.42bn the year before.

However, Total has also claimed that, if accounting losses on its oil stocks were excluded, it would have shown a profit from operations excluding minority interests of FFr 4.8bn.

Elf has reacted angrily to what it sees as an attempt by Total to take advantage of the different evaluation method to highlight the positive rather than negative aspects of its performance.

A senior Elf official said: "We feel you have to be consistent in the way you report your accounts. We have used the same system since 1979 and have not tried to exploit the advantages of one method or the other to suit the circumstances."

Elf claims that, unlike other French oil companies, it has opted since 1979 for an accounting system in line with those adopted by the big US oil groups. This involves using the last-in-first-out (Lifo) system in its consolidated group profit/loss accounts.

French law compels operating subsidiaries of oil companies in France to use the first-in-first-out, Fifo, accounting methods for valuing stocks. However, it does not require companies to use the Fifo system when consolidating results at group level.

Elf's choice of the Lifo system reflects the group's long-term efforts to be compared with other big international oil companies.

So, while Elf continues to value its oil stock assets with the Fifo method in its balance sheet, it uses the Lifo method to report its consolidated group results. Moreover, Elf has also set up a special reserve to cover the renewal of oil stocks to cushion the company from fluctuations in oil prices and the volatility of the market.

Elf says this reserve has enabled it to offset the impact of declining stock values in its results, which has not been the case with other French companies. During high oil prices the company built up substantial stock reserves which totalled FFr 9.4bn at the end of 1982.

The sums transferred to the reserve are calculated on the basis of the difference between company stocks evaluated by the Lifo system on the one hand and by the Fifo method on the other.

Since the collapse of oil prices, Elf has had to draw from the reserve fund – which had declined to FFr 1.1bn at the end of last year.

Elf in its detailed account of its reporting methods compares itself with the French La Fontaine fable of the cricket and the ant. Like the ant, Elf said, it was careful to hoard the gains of high oil prices, against the day when they fell. Other companies, like the cricket, preferred to live it up when times were good and were now having to adjust to the more difficult situation.

Total says it has always adopted the Fifo system. However, it has sought to emphasise that the Fifo method distorts its overall operating performance, which has significantly improved last year because of the recovery of downstream businesses. Total does not appear, at this stage at least, to be contemplating a change in its accounting methods.

Thyssen warns on turnover

By Our Financial Staff

THYSSEN, the West German steel group, expects a fall of between 15 and 20 per cent in turnover for this year, Mr Dieter Spethmann, the chief executive, said yesterday.

The exact decline would depend on dollar developments. Thyssen did more than 50 per cent of its business outside West Germany. Group turnover last year totalled DM 40bn ($22.2bn).

Mr Spethmann made no comment on group earnings for this year, which ends September 1987. Group net profit fell to DM 370.1m last year from DM 472.4m in 1985.

Last week Mr Spethmann told the annual meeting that Thyssen expected to post a good profit for 1986-87 despite losses on mass steel-making.

Engineering turnover would not be lower, but lower steel prices would result in a drop in steel turnover and sales volume. This would also "affect" Thyssen's trading operations.

Mr Spethmann also denied a rift between him and Mr Heinz Kriwet, management board chairman of Thyssen Stahl, over planned job cuts in steel plants in the Ruhr area.

German media reports had quoted Mr Spethmann as saying the announcement of job cuts at the Thyssen steel subsidiary had been badly handled. More than 7,000 jobs are to be cut in Thyssen's steel operations. The news provoked demonstrations in the affected areas.

Boliden to buy part of Allis-Chalmers

BY SARA WEBB IN STOCKHOLM

BOLIDEN, the Swedish mining, metals, and chemicals group, has agreed to buy part of Allis Chalmers, the troubled US manufacturing group, for about SKr 600m ($95m).

Boliden is to buy 10 Allis Chalmers units around the world which manufacture and sell equipment for mineral dressing and treatment. The units had sales last year of SKr 1.88bn and profits of around SKr 150m.

Boliden is in the midst of a costly restructuring programme following record losses last year, and Trelleborg, the Swedish rubber products group, recently acquired a controlling 65 per cent stake.

The Allis Chalmers deal is to be financed through Boliden's disposal of property interests and other assets.

It will enable Boliden to develop new products for the mining industry and to build up its mining division, both at home and overseas, the company said. It should also open up possibilities for Boliden's mining and smelting consultancy business.

The deal marks an abrupt change in Allis Chalmers's original plan, announced in February, to spin off several of its international units, led by Svedala-Arbra, its Swedish subsidiary, into a separate company to be publicly floated in Sweden.

This group would have included air quality control products as well as crushing and screening equipment.

Instead, Boliden will acquire the units, including Svedala-Arbra, which specialises in crushing and screening equipment used by the mining and road construction industries. Svedala-Arbra had sales of SKr 320m last year.

Boliden will also acquire Svedala-Arbra's wholly owned Swedish subsidiary, Sala International, which makes mills, pumps and preparation equipment for the mining industry.

The other Allis Chalmers units include FACO, a manufacturing unit in Brazil, with sales of SKr 530m and 2,500 employees, as well as sales companies in the UK, France, Australia and Canada.

"The 10 companies will give Boliden a more international stamp," said Mr Kjell Nilsson, Boliden managing director. He expected Boliden Contech, the group's consultancy arm, to benefit from the deal as the new overseas outlets could be used to market Contech's services to a wider audience.

The 10 Allis Chalmers units employ 4,300. Boliden said it had decided against taking over any part of the air filter business because this did not fit in with the group's overall profile.

Trelleborg also stands to benefit from the agreement since its Trellex division produces rubber components for mining equipment. Since taking control of Boliden, Trelleborg has put in new management and set about placing the ailing group back on its feet with a firm restructuring plan.

GBL boosted by banking units

BY TIM DICKSON IN BRUSSELS

GROUPE Bruxelles Lambert, Belgium's second-largest financial and industrial holding company, yesterday reported consolidated profits of BFr 6.52bn ($175m) net of minority interests for 1986 compared with BFr 5.4bn in 1985, before transfer to tax exempt reserves.

GBL said that the reasons for last year's improved performance would be given at the annual meeting in May. However, a spokesman indicated that the group's banking activities – including Banque Bruxelles Lambert, Banque Internationale in Luxembourg, London-based Henry Ansbacher and Drexel Burham Lambert in New York – had done particularly well.

GBL, whose management is in the hands of the Belgian industrialist Mr Albert Frère and Mr Gérard Eskenazi of France, received more than half its turnover from the financial sector, but energy and communications (including Compagnie Luxembourgeoise de Télédiffusion) are also important contributors.

GBL also announced yesterday that it was proposing gross dividends on ordinary shares of BFr 180, 9.1 per cent up on the 1985 level. Slightly smaller increases have been proposed for the three categories of shares issued by the company to take advantage of the Belgian Government's "Loi Monory" fiscal incentives between 1982 and 1985.

Royex offer for Corona 'too low'

MR MURRAY PEZIM, a director and dissident shareholder of International Corona Resources, the Canadian gold mining group, said yesterday that Royex Gold Mining was offering too little to obtain control of Corona. AP-DJ reports from Vancouver.

"I'm still trying to understand it all, but C$50m (US$38.5m) a share for control of Corona is much too low," said Mr Pezim, who is also chairman of Galveston Resources. He and Galveston are involved in a court fight to replace five directors of Corona.

Biogen hit by $38m in expenses

BY JOHN WICKS IN ZURICH

BIOGEN, the American-Swiss biotechnology concern, has announced net losses for 1986 of $28.15m. Total revenues for the year of $10.13m were outweighed by expenses of $38.28m.

The company, with headquarters in Cambridge, Massachusetts, and Geneva, has thus shown total losses of almost $77.3m since 1981.

As part of a programme to reduce expenses, Biogen plans to restructure its operations in Europe. The company said it was "in discussions with third parties" about the potential sale of operations in Geneva.

Biogen is a leader in the development of therapeutical products based on genetic engineering technology. Major projects include proteins for the treatment of inflammatory diseases, cancer and immune-system disorders.

The chairman and chief executive officer, Mr Jim Vincent, said revenues fell by more than half due principally to the scheduled end of income from "Biogen Medical Products limited partnership" and to fluctuations in licensing revenues. Operating expenses continued to fall.

He added that Biogen had "put in place major components of a programme to strengthen its balance sheet." In 1986, its cash position had increased to more than $70m, he said.

This programme was also reflected in recent agreements with Merck & Co for so-called Mulerian inhibiting substance and with Baxter Travenol Laboratories for gamma interferon for cancer treatment.

Itel buys Flexi-Van container assets

BY KEVIN BROWN, TRANSPORT CORRESPONDENT, IN LONDON

ITEL, the US transport equipment leasing company, yesterday completed the purchase of the container assets of Flexi-Van, in a $220m deal which creates the world's biggest container leasing company.

The deal will give Itel control of a fleet of more than 375,000 20-foot equivalent units (TEUs), around 50,000 TEUs more than Gelco/CTI, the nearest competitor.

Itel said its expanded container business would have total assets of more than $500m, and annual revenues in excess of $160m.

Mr John Hsieh, president of Itel Container Corporation, said the acquisition of Flexi-Van's fleet served notice that Itel intended to be a long-term player in the leasing industry.

The acquisition marks the latest stage of Itel's recovery from Chapter 11 bankruptcy protection four years ago, following a disastrous experience in the computer leasing market.

The company has made a number of acquisitions since then, including Great Lakes International, the largest US marine dredging company, and Anixter Brothers, a communications and transport equipment leasing company.

Analysts said the purchase of the container assets of Flexi-Van – a subsidiary of Castle and Cooke, the property, transportation and fruit packing group – was a logical development of the overcapacity which has depressed the leasing industry for the last two years.

Mr Ian Clapp, transport analyst at Schroeder Securities, the London brokers, said the expanded Itel fleet was likely to perform strongly, particularly in the Far East, where demand has remained high.

"Itel has pulled itself out of the doghouse, and Flexi-Van was always the most efficient of the big container leasers."

Mr Clapp said Itel would benefit from a reduction in administrative and marketing overheads and would probably seek a substantial reduction in staff.

Itel's dominance in the Far East and specialist 40-foot container markets should be complemented by Flexi-Van's efficiency and long-term 20-foot container leases.

INTL. COMPANIES AND FINANCE

Dome Petroleum falls sharply

BY BERNARD SIMON IN TORONTO

DOME PETROLEUM, the debt-ridden Calgary energy producer, has posted the biggest loss ever suffered by a Canadian company.

Dome has revealed a 1986 loss of C$2.2bn (US$1.68bn), equal to C$6.94 a share, compared with a small profit of C$7m, or 2 cents a share, the previous year.

Last year's dismal performance brings Dome's total losses to C$3.9bn since falling oil prices and rising interest rates cut short a debt-financed acquisition spree in early 1982.

The company, with debts of C$6.4bn, is still engaged in talks with 56 creditors on sweeping restructuring, which would involve the conversion of a substantial portion of debt to equity and oil-indexed securities.

The huge 1986 loss was due largely to asset writedowns of C$2.08bn, lower operating income and C$214m of accumulated foreign-exchange losses charged to current expenses.

Revenues from oil, gas and natural gas liquids businesses fell from C$2.44bn to C$1.55bn. Crude oil output was about the same last year as 1985, but sales of natural gas were 9 per cent lower.

Mr Howard Macdonald, Dome's chairman, said the loss "has very little bearing on the day-to-day operations of Dome. It merely reflects the realistic carrying value of the company's assets in today's economic environment and the absolute need for reaching a timely agreement with our lenders to assure the company's continued existence."

Because of the writedowns, the value of Dome's assets has dropped in the past year to C$4.9bn from C$8.18bn.

One of the company's key arguments against liquidation is that creditors stand to lose more by trying to dispose of its assets piecemeal than by continuing to support it in the hope of rising energy prices or some form of takeover bid.

Separately, Dome Mines, the Toronto gold producer which has substantial minority cross-shareholdings with Dome Petroleum, announced a sharp rise in earnings to C$71.6m, or 80 cents a share, last year from C$12.2m, or 15 cents, the previous year.

The improvement was due to rising gold prices, higher output and the acquisition by a subsidiary of the Quebec producer Kiena Mines.

IBM reshuffles senior management

BY WILLIAM HALL IN NEW YORK

MR PAUL RIZZO, the 59-year-old vice-chairman of IBM, is stepping down as second in command of the world's biggest computer company and will take over as the full-time dean of a North Carolina business school on his retirement at the end of August.

Mr Rizzo's retirement is the latest in a series of senior management changes at IBM since Mr John Akers, 52, took over as chairman and chief executive of IBM. The move has cleared the way for several promotions from lower down the company, which employs more than 400,000 people around the world.

IBM announced yesterday that Mr Kaspar V. Cassani, 58, and Mr Jack D. Kühler, 54, had been elected executive vice-presidents of IBM.

Effective immediately, Mr Cassani, who joined IBM as a salesman in Switzerland in 1951, assumes most of Mr Rizzo's responsibilities while Mr Kühler takes over from Mr Rizzo as the corporate executive responsible for IBM's federal systems division.

Mr Cassani will be the corporate executive responsible for IBM World Trade Europe, Middle East, Africa (EMEA); IBM World Trade Americas Group; IBM World Trade Asia/Pacific Group; and IBM's information systems group.

He replaces Mr Rizzo as chairman and president of IBM World Trade and has been named a member of IBM's key management committee.

Mr Cassani, who will continue as chairman of EMEA, is being succeeded as president director general of IBM Europe by Mr C. Michael Armstrong, a 48-year-old IBM senior vice-president, who is director general of IBM Europe.

In addition to taking over responsibility for IBM's Federal Systems Division, Mr Kühler will continue as corporate executive responsible for IBM's information systems and storage group and information systems technology group.

Mr Rizzo, who was elected vice-chairman in February 1983, will retire from IBM on August 31

Finsider loss expected to exceed forecasts

BY ALAN FRIEDMAN IN ROME

FINSIDER, the Italian state-owned holding company for the steel industry, is expected to reveal a higher than expected loss for 1986.

Official figures will not be released for several weeks, but it was learnt yesterday that the state steel group's deficit last year will come to about L1,000bn ($769m), against earlier hopes of keeping the loss nearer L800bn. In 1985 Finsider lost L1,130bn.

It is likely that the main losses will have been at Nuova Italsider, which is Finsider's biggest subsidiary. Nuovo Italsider's 1986 loss is believed to have been about L560bn against L458bn the previous year.

Professor Romano Prodi, chairman of the IRI state group which owns Finsider, has been working on plans to deal with the chronic problems in the steel sector.

In an effort to inject fresh thinking Prof Prodi is understood to be considering the appointment to Finsider's board of business veterans from outside the group. Among those rumoured to be under consideration is Mr Victor Uckmar, a prominent company lawyer, Prof Luigi Guatri, the rector of the Bocconi University of Milan, and Mr Umberto Cuttica, a veteran of Fiat and Zanussi.

AIBD BONDS INDICES

WEEKLY EUROBOND GUIDE MARCH 27 1987

	Redemption Yield	Change on Week %	12 Months High	12 Months Low
US Dollar	8.556	0.070	9.619	8.440
Australian Dollar	14.552	−0.431	14.735	12.830
Canadian Dollar	9.372	−1.430	11.043	9.372
Euroguilder	6.250	0.450	6.314	5.804
Euro Currency Unit	8.443	−0.295	8.887	8.164
Yen	5.674	−0.561	6.702	5.218
Sterling	9.763	0.236	11.609	9.693
Deutschemark	6.010	−0.972	6.652	6.010

INTERNATIONAL COMPANIES and FINANCE

Lucy Kellaway on Kuwait's efforts to tackle European petrol retailing

KPI confounds the sceptics

WHEN Kuwait decided in the early 1980s that it was to develop a diversified international oil company, the rest of the oil world looked on with surprise and scepticism.

Not only was Kuwait the first Opec member to have taken such a step, but the market which it aimed to tackle first—European petrol retailing—was suffering from vicious competition, and many companies were making little, if any, return on their investments. Other Opec members could see no strategic advantage to be gained from an international marketing network, whereas the majors doubted whether Kuwait would be able to make a success of it.

New few question the wisdom of Kuwait's move, nor the skill with which it is pursuing it. With crude prices collapsed, the advantages of diversification have been driven home to all oil producers, and some producing countries like Norway have now followed the Kuwaiti pattern.

The early sceptics were confounded once again on Tuesday when Kuwait clinched a deal with BP that would make Kuwait one of the biggest distributors of petrol in Denmark with a 28 per cent share of the market. The deal came scarcely three weeks after the purchase from Ultramar of nearly 500 outlets in the UK, giving it a large enough foothold in the British market from which to make further attacks.

Kuwait now has more than 4,500 petrol stations in six countries in Europe, where altogether there are some 140,000 outlets. Its total is still small by comparison to its target, however, which is to become a major player in all the main petrol markets in Europe, and later to move into the US and the Far East.

Kuwait Petroleum International (KPI), which was set up in 1983 to manage the move overseas, is at last seeing its steady work over the last few years rewarded. From the end of last year it has had its own identity to slap onto the Gulf stations which since the takeover in 1983 had been trading under their old name. Now under the smart new Q8 brand, the company claims that volumes at most of the sites have risen by between 12 and 60 per cent.

Mr Nader Sultan, president of Kuwait Petroleum International. Using the Q8 brand volume has risen between 12 and 60 per cent

The relatively downbeat start was no accident. Mr Nader Sultan, the 38-year-old president of KPI, describes with amusement the old Gulf manager who could remains with KPI, which not believe it when he was told on the first day of working for the Kuwaitis to go on running the stations exactly as he had done for Gulf.

As new boys to the petrol marketing game, KPI had decided that the best way to begin was just by watching. The legacy of such teaching appears to be operating the stations more like a major oil company than like a price-cutting independent — much to the relief of its competitors.

Meanwhile, with no initial experience of the market itself, nor of how to operate big business outside the Middle East, was KPI foolish to think that it could make more money out of the sites than the established oil companies which are putting them up for sale?

Mr Sultan evidently does not think so. He argues that the Kuwait group has an advantage over the big oil companies operating in the European market. He says this is because the new generation of Kuwait refineries operate so efficiently that they can compete with European refineries even after their fuel has been transported into the European marketplace. Part of this is due to the conversion of three Kuwaiti super crude tankers into product carriers, which has cut costs in half.

With such favourable sources of supply, KPI is in no hurry to buy up refineries in Europe, unless they come as part of a bigger deal. Fortunately, the two refineries which came with the Gulf deal have proved useful. The Danish facility has helped KPI increase its share of that market, and has helped justify this week's deal with BP.

The Rotterdam refinery came with a full laboratory and a lubricants manufacturing plant, which has allowed KPI to develop a profitable lubricants business, something which it might otherwise not have tried.

The larger profits being made by the industry downstream have not altogether been a good thing for KPI. Mr Sultan admits that now downstream has become fashionable he will have to pay more for acquisitions.

However, the two latest deals indicate that attractive deals are still possible. As oil companies re-evaluate all their assets to make sure that each contributes enough to the whole, plenty of sites are likely to come up for sale to keep Mr Sultan and his London staff of 55 busy.

First-half rise for Pioneer Concrete

By Bruce Jacques in Sydney

PIONEER CONCRETE Services, the Australian resources group pursued for much of the past year by Mr Larry Adler's FAI Insurances, has reported a modest increase in after-tax profits for the six months to December.

The directors said continuing strong performances from overseas operations, resources investments and petroleum refining and marketing had contributed to an earnings rise to A$65.17m (US$46.02m) from A$58.03m.

The result was achieved on a modest increase in turnover to A$1.55bn from A$1.52bn and included equity accounted profits of A$9.26m compared with A$11.3m. The interim dividend has been held at 6.52 cents a share.

Sir Tristan Antico, Pioneer's chairman, said the result reflected the company's diversification and described the appraisal of the promising Iagifu oil field in Papua New Guinea, in which the company has a 21 per cent interest, as one of the highlights of the half year.

In Australia, an increased contribution from masonry and concrete products offset a decline in premixed concrete earnings. During the period the company sold its under-performing Italian building products division.

● Westfield Capital, fresh from its pivotal role in the purchase of the Channel Ten television network from Mr Rupert Murdoch's News group, has sold its stake in Bridge Oil for A$43.8m, reports Bruce Jacques.

The stake, equal to 11.23 per cent of Bridge's fully paid shares and 10.4 per cent of its options, brought a A$26.8m book profit for Westfield, funds which will be needed for the company's expensive expansion into media.

It is believed that the shares were spread among a number of clients of Australian stockbrokers ABS White and Clarke Vickers and that Elders Resources, Bridge's 23 per cent major shareholder, was not involved as a buyer.

Bridge shares have been substantially re-rated in Australian stock markets this year, rising in recent weeks from around A$1 to A$1.60,

Commerzbank leaps ahead to DM 408m

BY ANDREW FISHER IN FRANKFURT

COMMERZBANK, West Germany's third-largest commercial bank, yesterday said business had slowed after a record year in 1986.

Commerzbank is raising its 1986 dividend from DM 8 to DM 9 a share after an 18 per cent jump in group net income to DM 408m ($227m). Total business volume was 8 per cent higher at DM 151bn.

Mr Walter Seipp, chairman, said business volume of the parent bank – up by 9.9 per cent last year to DM 93bn – had slipped by 4 per cent in the first two months of 1987.

He blamed the fall on seasonal factors, with total lending down by a gentler 2.5 per cent and savings deposits showing a rise. However, while net interest and dividend income was only slightly down, commission earnings delined more sharply because of the weaker trend on German stock exchanges.

For the whole year, he expected operating profits to be slightly lower. The bank gave no figures for 1986, but said these were slightly above those for 1985 of about DM 1bn for the parent company and DM 1.5bn for the group.

The slower business volume meant Commerzbank would have to stay highly profit-oriented. Mr Seipp singled out recent investment banking deals such as the purchase of two German companies, Boge (automotive parts) and Linotype (printing), for flotation later this year. The price for Linotype, bought from Allied Signal of the US, was "several hundred million dollars."

Commerzbank also hopes to have a fully owned investment bank in the US later this year. It is represented in the area through a 40 per cent stake in EuroPartners in New York.

Excluding trading on its own account, Commerzbank's partial operating profit for the parent group was only 3.2 per cent higher last year at DM 752m, with a subsequent fall in the first two months of 1987. Net interest and dividend income was 9 per cent higher in 1986 at DM 2.2bn, with net commission income from securities, new issues and syndicate business 11.6 per cent higher at DM 895m.

One dampener on business in 1986 was the effect of the rising D-Mark in reduced income in German currency terms from foreign operations. This made a difference of about DM 5bn in group business volume.

John Wicks in Zurich adds: DG Bank Deutsche Genossenschaftsbank, of Frankfurt, has disclosed that it now holds a majority stake in the Zurich-based BEG-Bank Europaeischer Genossenschaftsbanken.

Following the acquisition of a former 17 per cent stake of Swiss Volksbank, Berne, DG Bank now holds 60.5 per cent of the SFr 60m ($40m) capital of BEG Bank. Further share purchases are planned.

The Zurich bank is now owned jointly by DG Bank and a number of other European banking co-operatives. These include Genossenschaftliche Zentralbank (Vienna), Caisse Nationale de Crédit Agricole (Paris), SGZ Südwestdeutsche Genossenschafts-Zentralbank (Frankfurt) and Rabobank Nederland (Utrecht).

Rush to enter Australian stockbroking

By Our Financial Staff

CHANGES WHICH take effect this month in ownership rules for Australian stockbrokers are bringing a stream of outside entrants to the industry, while others are consolidating their hold.

Strauss Turnbull, a UK broking firm in which Hambros Bank and Societe Generale each have a minority interest, is linking with Hambros Australia and George Simon, a local securities house, to form Hambros Strauss Simon.

Sharply higher profits at Clal

BY ANDREW WHITLEY IN TEL AVIV

THE CLAL group, Israel's leading privately owned conglomerate, has reported sharply higher net profits of 22.5m shekels ($15.1m) for 1986, compared with 6m shekels the previous year.

Mr Aharon Dovrat, Clal's president, said the better figures resulted from general improvements in all activities. He forecast an even better coming year for the group, provided problems in its industrial division were overcome.

The electronics sector, in which Clal is represented through its minority holding in Scitex — a world leader in computerised image reproduction systems — and through its telecommunications subsidary ECI Telecom, suffered particularly badly in 1986.

Mr Dovrat warned that Israeli industry as a whole was likely to remain in difficulties this year because of an anticipated slowdown in domestic private consumption. Exports would continue to suffer from the weakness of the US dollar, to which the shekel is closely linked.

Clal (Israel), the group's holding company, has adopted a strategy of making itself as liquid as possible in recent years, building up what, by Israeli standards, is a considerable war chest for future acquisitions. These are likely to continue to concentrate on the services sector, notably insurance, rather than manufacturing or construction.

According to Mr Amos Sapir, senior vice-president and finance director, Clal could be a candidate to purchase government companies being sold to the private sector, though he expressed doubts over the seriousness of the privatisation programme.

Alcom in debt rescheduling talks as losses deepen

BY WONG SULONG IN KUALA LUMPUR

ALUMINIUM COMPANY of Malaysia (Alcom) is in talks with its bankers aimed at rescheduling its loans after reporting a bigger operating loss of 30.7m ringgit (US$12.3m) for last year. The loss in 1985 was 28.2m ringgit.

At December 1986, Alcom had total borrowing of 109m ringgit, compared with 48m ringgit in shareholders' funds. The company said the bigger losses sustained in 1986 were the result of the Malaysian economic recession and difficult trading conditions.

Turnover fell by 20 per cent to 51.4m ringgit.

Alcom completed a two-for-three rights issue last July, which raised 32.6m ringgit. Alcan of Canada has increased its stake from 40 per cent to 64 per cent, following a poor take-up of the rights issue by minority shareholders.

Alcom said: "In the absence of a significant economic recovery, the overall outlook for 1987 remains pessimistic and a loss is expected."

INTERNATIONAL CAPITAL MARKETS and COMPANIES

High interest rates spark rush for Kiwi paper

BY DAI HAYWARD IN WELLINGTON

HIGH INTEREST rates, combined with the prospects of falling inflation and a shrinking government appetite for debt, have helped encourage an unprecedented inflow of foreign funds into New Zealand.

Earlier this week, companies and other institutions were scrambling to balance their books and meet their tax demands by the end of the financial year on March 31, an annual process that saw call rates soar briefly to over 50 per cent.

By yesterday, short-term interest rates had fallen back again. Yet they remain in the 25-26 per cent range that has become the norm in recent months, resulting in the high yields on New Zealand dollar-denominated securities that have atracted overseas investors.

Since the abolition of exchange controls, the Government has had no way of measuring accurately the inflow. One leading merchant bank in Wellington says it alone has placed about NZ1bn (US$570m) of overseas clients' funds into New Zealand debt securities, and estimates that other finance houses have placed at least another NZ2bn.

In addition, an estimated NZ$1bn is thought to have been invested in the New Zealand stock market during its long boom.

Outstanding issues in the two year-old market in NZ dollar-denominated Eurobonds (or Kiwi-bonds as they have become known in Wellington) total aobut NZ$2bn. In common with other sectors of the Euromarket, they offer investors yields that comparable with those on government bonds but attract no withholding tax. The more recently established New York market for NZ dollar paper has also attracted more than NZ$2bn worth.

Mr Roger Douglas, the finance Mr Roger Douglas, the Finance Minister, announced earlier this week that the Government deficit this year would be at worst in line with, and more probably below, the official forecast of NZ$2.9bn (US$1.65bn).

His remarks had an immediate easing effect on both short- and long-term interest rates, and with the seasonal tax drain overcome, the way could now be open to a steady decline.

The New Zealand authorities have no objection either to the inflow of funds into the country, or to the NZ dollar's current investment appeal. The Government has said that these developments reflect confidence in the growth of the New Zealand economy and the stability of its financial markets.

Not least, the Government can point to the strength of the NZ dollar since it was first floated two years ago—confounding the many financial commentators who predicted a fall. Despite repeated claims that it is over-valued, it has continued to look strong against both the US and Australian dollars. It remains to be seen how far the currency's strength may now give the authorities some leeway to encourage the decline in interest rates to gather pace.

Partly as a result of the end-year pressure on short-term money, there is at present an inverse yield curve, with yields on two-year government stock standing at around 20 per cent, those on three-year bonds at about 19 per cent and those on five-year paper at 18 per cent.

The prospect that the government, while remaining a significant borrower, is unlikely to increase its financing needs from last year is expected to help underpin prices of outstanding issues.

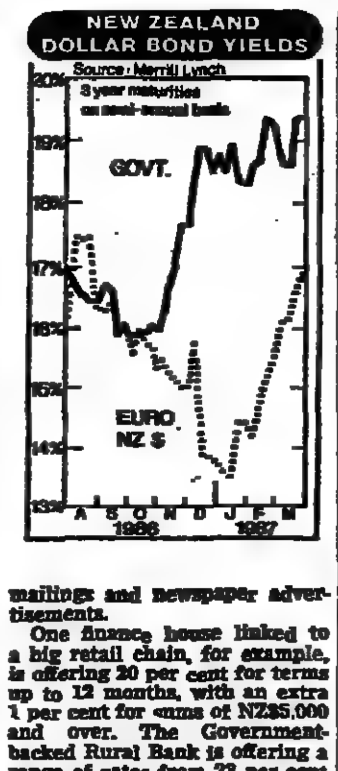
With effect from yesterday, however, eight public sector agencies have become in law independent corporations; they are expected to tap the bond market for billions of dollars this year to finance the purchase of their assets from the Government and to strengthen their capital bases.

For the time being, New Zealand still appears to be a lenders' market—another factor that is standing in the way of any sharp decline in interest rates.

Trading banks, merchant banks and finance houses have in recent months been engaged in keen competition for depositors' funds, offering an increasingly wide spread of instruments through direct mailings and newspaper advertisements.

One finance house linked to a big retail chain, for example, is offering 20 per cent for terms up to 12 months, with an extra 1 per cent for sums of NZ$5,000 and over. The Government-backed Rural Bank is offering a range of rates from 23 per cent for call money to 18.5 per cent for 18-month term deposits of NZ$5,000 or more.

Finally, the prospect of a general election in September is helping to keep longer-term rates high, and may bolster them even when shorter-term rates ease back. The Government last week, however, produced broadly favourable estimates for the remainder of the year, including a decline in the trade deficit to around NZ$131m from over NZ$1bn last year, a fall in unemployment and a slowdown in inflation from the 18.2 per cent registered last year.



Perelman bids for remainder of Revlon

By William Hall in New York

MR RONALD PERELMAN, the 43-year-old corporate raider, yesterday launched a $728m cash tender offer for the remainder of Revlon, the cosmetics group controlled by his privately owned investment firm, MacAndrews & Forbes.

MacAndrews & Forbes announced yesterday that its wholly owned Revmac Acquisition Corporation had begun an $18.50-a-share cash tender offer to buy all the Revlon Group common shares not already owned by it and its affiliates.

Mr Perelman won control of Revlon in late 1985 after a bitter takeover battle and disclosed earlier this month that he was considering buying the remaining two thirds of Revlon's 59.6m shares which his company does not own.

Revlon's shares rose $⅞ to $19¾, a $⅞ premium to the offer price, following the announcement of the tender offer yesterday morning. Several analysts said they thought the price Mr Perelman was offering was too low, and there have been suggestions that the company is worth as much as $25 or $30 a share.

After several audacious corporate raids last year, Mr Perelman has been noticeably quiet in recent months, but Wall Street has been alive with rumours that he is planning another major move.

Late last year he launched three corporate raids in quick succession on Gillette, Transworld and CPC International. Although all three bids failed, he made handsome profits on his investments.

It has been estimated that MacAndrews & Forbes and Revlon have about $2.5bn which could be used to mount another big takeover.

Investors stay away from the Eurodollar sector

BY CLARE PEARSON

THE SLIGHTLY firmer dollar had little impact yesterday on the Eurobond market. Dollar Eurobond trading was becalmed after some professional selling earlier in the week.

Prices were marked down at the outset by about ½ percentage point, however, after announcements that US banks were increasing their prime rates. Dealers were worried that the rise might presage a more general interest rate movement to shore up the dollar.

New issue activity was again thin. No lead manager ventured into the dollar sector, though Morgan Guaranty launched a Canadian dollar bond for McDonalds, the fast food chain. This was considered faily ambitious, as Canadian domestic bond prices have been undermined recently by the falls in the US Treasury bond market.

Nevertheless, dealers said the terms of the C$75m five-year bond were reasonable, though initial sales were slow. The 8½ per cent deal, priced at 101⅞, provided an initial yield of around 55 basis points over Canadian government bonds.

IBJ International led a Y20bn five-year bond for Caisse Nationale des Telecommunications, which also looked fairly priced. The 4¾ per cent bond, priced at 101½, was bid at less 1⅞, the level of its total fees.

Nomura International arranged a Y19bn zero coupon bond which was rapidly placed with Far Eastern investors. The five-year deal was for Rural Banking and Finance Corporation of New Zealand, but it was sold through the Bank of New Zealand. Nomura said this was to avoid the imposition of withholding tax. The deal was priced at 81.22 with fees of 1.55 per cent to give a net yield of 4.65 per cent.

The recent almost constant stream of Australian dollar issues showed no let-up yesterday as Hambros Bank led an A$50m deal for GMAC (Australia) Finance, guaranteed by GMAC.

INTERNATIONAL BONDS

The deal, which has an unusual four year maturity, was priced at 101 with a 14½ per cent coupon. It met a firm response from the market, despite the heavy volume of inventory Australian dollar dealers have been building up lately, and was quoted at prices within its 1⅞ per cent fees.

Bank of Tokyo International led a $100m 15-year convertible for Bank of Tokyo Ltd. Terms will be fixed on April 9, but the issue carries an indicated 2 per cent coupon. It is callable after three years at 104, and then at declining premiums. It was quoted at 108 bid, against a par issue price.

Daiwa Europe fixed the terms on its recent $70m equity warrants bond for Chiyoda Fire and Marine Insurance. The coupon on the five-year bond was reduced from an indicated 2¼ per cent to 2 per cent and the exercise price on the warrants was fixed at Y882, a 2.56 per cent premium over Tuesday's close. The deal was quoted at 113½ bid, against a par issue price.

The D-Mark market saw quiet trading yesterday. Prices were marked down by about ¼ point during the morning although there was little movement during the afternoon. A new domestic issue for North Rhein-Westphalia traded thinly but was indicated at around less 1.4.

Commerzbank led a DM 150m deal for East Asiatic, the big Danish trading company, the first straight public issue since mid-March. The 5½ per cent five-year bond was priced at 100½.

Some dealers were concerned that the borrower was not well known in West Germany. Price quotations varied between 98½, the level of the total fees, and 98⅞ bid.

Deutsche Girozentrale-Deutsche Kontrollbank announced a private placement for Oesterreichische Kontrollbank, which did not trade actively. The issue came on the same terms as East Asiatic's offering.

In Switzerland prices finished the day a touch firmer in slightly lower volume than recent days.

Swiss Bank Corporation led a SFr 100m five-and-a-half year convertible bond for Bank of Tokyo. The issue carries an indicated coupon of 1¼ per cent, but final terms will be set on April 9.

In Danish kroner, Den Danske Bank led a seven-year 11 per cent issue for European Investment Bank. The issue, priced at 101, traded at around 99½ bid, against 1⅞ per cent fees.

Salomon heads securities table

SALOMON BROTHERS has again topped the quarterly list of leading underwriters of taxable securities, though First Boston is closing in fast, AP-DJ reports from New York.

In the first quarter, which ended on Tuesday, Salomon Brothers underwrote $12.62bn of new taxable debt and equity issues for a 15.18 per cent market share. First Boston underwrote $12.10bn of taxable issues for a 14.55 per cent market share, according to figures compiled by Securities Data.

Both investment banking firms were ranked numbers one and two for the first quarter of 1986. However, at that time, Salomon commanded a 24 per cent market share compared with First Boston's 15 per cent.

Merrill Lynch Capital Markets moved up to number three for the quarter

Japan to monitor property loans

BY YOKO SHIBATA IN TOKYO

THE BANK of Japan, perturbed by a sharp increase in land prices last year, indicated yesterday that it will in future take a closer interest in commercial banks' lending for property transactions.

Land prices in Tokyo at the end of last year stood a record 58.9 per cent higher than a year earlier. Within the city's commercial district, the land price rise was even more dramatic, jumping by a record 74.9 per cent, according to the National Land Agency.

The increase was attributed to brisk demand for office buildings and to easy credit conditions, which have prompted financial institutions to increase their lending for land purchases.

A shortage of office space has been one important factor, arising in part from the large number of new players seeking to enter the Japanese financial markets, including foreign financial institutions.

In Tokyo's Marunouchi district, favoured by many financial institutions, rents on new two-year leases are now about Y50,000 per tsubo per month, roughly equivalent to $160 a square foot per year — two or three times the equivalent rent in New York or London.

Rapidly growing demand for office building sites is also pushing up the value of commercial land and affecting prices in surrounding residential areas. Residential land prices in Tokyo rose 21.5 per cent last year.

Financial institutions, squeezed by sharply reduced demand for credit and a shortage of attractive investment opportunities, have been pouring money into real estate transactions.

The central bank's lending showed that banks' outstanding loans to real estate companies for 1986 doubled from the previous year to Y7,200bn to account for one-third of the total increase in lending. Combined loans to real estate companies and others for land transactions may have amounted to half the overall increase.

In the belief that the central bank's accommodative credit policy should not be the means of underwriting booming stock prices and skyrocketing land values, the BoJ warned commercial banks to take a prudent lending attitude each time last year that it cut its discount rate (the rate charged on its loans to commercial banks).

However, the figures for last year indicate that banks failed to heed this request, Bank of Japan officials said.

German bourse turnover jumps to DM 483bn

SHARE and bond turnover on all eight West German bourses in the first 1987 quarter was valued at DM 483.4bn ($265bn), according to the new method of calculating turnover, the Association of German Bourses said yesterday.

While shares posted a turnover worth DM 187.9bn bond turnover was DM 295.4bn. No comparitive figures were available because of the new method of calculation.

In March, share and bond turnover rose 28 per cent to DM 181.1bn from the previous month, reversing the sharp turnover drop in February.

Bond turnover jumped 33 per cent to DM 113.3bn in March, giving an average transaction value of DM 455,000 each on the total 249,000 transactions. More than 90 per cent was in public authority bands.

Share turnover rose 22 per cent to DM 67.8bn with 1.5m deals. Share transactions averaged DM 45,000 each.

German shares accounted for nearly 80 per cent of share turnover. Foreign shares took over 8 per cent and domestic and foreign options about 12 per cent.

Deutsche Bank was the most traded share in March, with DM 4.7bn worth changing hands. Siemens was next with DM 4.5bn, Bayer DM 4.0bn, Volkswagen DM 3.4bn, Daimler-Benz DM 3.4bn, Veba DM 2.4bn, Dresdner Bank DM 2.9bn, Hoechst DM 2.6bn, BASF DM 1.8bn and AEG DM 1.5bn.

Trading in these 10 shares accounted for 44 per cent of total share turnover.

$300m facilities for Alaska Housing

BY STEPHEN FIDLER

ALASKA HOUSING Finance became the first US municipal borrower to use the Euronote and Eurocommercial paper markets, with the signing of two deals arranged by Merrill Lynch Capital Markets.

It signed a $150m, seven-year commited revolving facility, which also provides for the uncommitted issuing of Euronotes, at a margin set by the issuer, with maturities of up to six months.

The committed facility, lead managed by Swiss Bank Corporation (San Francisco Branch) allows Alaska Housing to make drawings at ⅛ per cent over London interbank offered rates. There is an annual commitment fee of 0.1 per cent.

Under its related $150m Eurocommercial paper facility, signed yesterday, Alaska Housing Finance may issue paper of any maturity up to 183 days. Merrill Lynch, Salomon Brothers and Swiss Bank Corporation International will act as dealers.

Merrill also said a Eurocommercial paper programme it launched more than a year ago for Provinsbanken of Denmark had been increased from $100m to $250m. Merrill will continue to act as dealer, with the addition of Shearson Lehman Brothers International and S. G. Warburg.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on April 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Average price change... On day 0 on week −⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE 31st March, 1987

THE HOKKAIDO BANK, LTD.

(Incorporated with limited liability in Japan)

U.S.$30,000,000

2⅛ per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

Nomura International Limited

The Nikko Securities Co., (Europe) Ltd. | Salomon Brothers International Limited

Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
Banque Paribas Capital Markets Limited
Credit Suisse First Boston Limited
Daiwa Europe Limited
Deutsche Bank Capital Markets Limited
Fuji International Finance Limited
IBJ International Limited
Kidder, Peabody International Limited
Kleinwort Benson Limited
Merrill Lynch Capital Markets
Mitsubishi Finance International Limited
New Japan Securities Europe Limited
Swiss Bank Corporation International Limited
Union Bank of Switzerland (Securities) Limited
Yamaichi International (Europe) Limited

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE 31st March, 1987

THE ASHIKAGA BANK, LTD.

(Kabushiki Kaisha Ashikaga Ginko)

U.S.$50,000,000

2⅛ per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

Nomura International Limited
The Nikko Securities Co., (Europe) Ltd.
Morgan Guaranty Pacific Limited
Swiss Bank Corporation International Limited

Mitsubishi Finance International Limited
Bank of Tokyo International Limited
Bank of Yokohama (Europe) S.A.
Bankers Trust International Limited
Banque Paribas Capital Markets Limited
Barclays de Zoete Wedd Limited
Chase Investment Bank
Citicorp Investment Bank Limited
County NatWest Capital Markets Limited
Credit Suisse First Boston Limited
Daiwa Europe Limited
Deutsche Bank Capital Markets Limited
IBJ International Limited
KOKUSAI Europe Limited
Lloyds Merchant Bank Limited
LTCB International Limited
Manufacturers Hanover Limited
Mitsubishi Trust International Limited
Samuel Montagu & Co. Limited
Morgan Stanley International
New Japan Securities Europe Limited
Nippon Kangyo Kakumaru (Europe) Limited
J. Henry Schroder Wagg & Co. Limited
Security Pacific Hoare Govett Limited
Sumitomo Finance International
Union Bank of Switzerland (Securities) Limited
S. G. Warburg Securities
Westdeutsche Landesbank Girozentrale
Yamaichi International (Europe) Limited

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NEW ISSUE 31st March, 1987

THE GUNMA BANK, LTD.

(Kabushiki Kaisha Gunma Ginko)

U.S.$50,000,000

2⅛ per cent. Convertible Bonds due 2002

Issue Price 100 per cent.

Nomura International Limited
Mitsui Finance International Limited
Morgan Guaranty Pacific Limited
The Nikko Securities Co., (Europe) Ltd.

Bank of Yokohama (Europe) S.A.
Banque Bruxelles Lambert S.A.
Banque Paribas Capital Markets Limited
Barclays de Zoete Wedd Limited
Chase Investment Bank
Chemical Bank International Limited
Citicorp Investment Bank Limited
Crédit Commercial de France
Daiwa Europe Limited
IBJ International Limited
Kidder, Peabody International Limited
Lloyds Merchant Bank Limited
LTCB International Limited
Manufacturers Hanover Limited
Morgan Grenfell & Co. Limited
Morgan Stanley International
New Japan Securities Europe Limited
Nippon Credit International Limited
Nippon Kangyo Kakumaru (Europe) Limited
Salomon Brothers International Limited
J. Henry Schroder Wagg & Co. Limited
Sumitomo Finance International
Swiss Bank Corporation International Limited
Westdeutsche Landesbank Girozentrale
Yamaichi International (Europe) Limited
Yamatane Securities (Europe) Ltd.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE 31st March, 1987

MITSUI REAL ESTATE DEVELOPMENT CO., LTD.

(Mitsui Fudosan Kabushiki Kaisha)

U.S.$200,000,000

2⅜ per cent. Bonds due 1992

with

Warrants

to subscribe for shares of the common stock of Mitsui Real Estate Development Co., Ltd.

Issue Price 100 per cent.

Nomura International Limited

Mitsui Finance International Limited | Crédit Lyonnais

Algemene Bank Nederland N.V.
Banca Commerciale Italiana
Banque Paribas Capital Markets Limited
Commerzbank Aktiengesellschaft
Credit Suisse First Boston Limited
Daiwa Europe Limited
IBJ International Limited
Kidder, Peabody International Limited
KOKUSAI Europe Limited
LTCB International Limited
Merrill Lynch Capital Markets
Mitsui Trust International Limited
Morgan Stanley International
The Nikko Securities Co., (Europe) Ltd.
Nippon Credit International Limited
Salomon Brothers International Limited
J. Henry Schroder Wagg & Co. Limited
Westdeutsche Landesbank Girozentrale
Yamaichi International (Europe) Limited

UK COMPANY NEWS

INSURANCE RESULTS BY NICK BUNKER AND ERIC SHORT

Sun Alliance well above forecasts

Sun Alliance and London Insurance group overshot the City's most optimistic expectations by a wide margin yesterday and reported pre-tax profits of £180.4m for 1986, up from £37.7m in 1985.

Analysts had been predicting a figure of between £135m-£160m. The shares gained 36p to close at 813p last night.

The recovery came largely from a big reduction in underwriting losses in the UK, which fell from £71m to £16.1m, with the group making an underwriting profit on personal household insurance.

Worldwide, non-life underwriting losses were £78.3m, less than half the 1985 figure of £183.4m. Total premium income for general insurance and long-term (life and pensions) business rose from £2.36bn to £2.7bn.

Long-term insurance profits rose from £20.9m to £27.3m, with the transfer to shareholders up by 30.6 per cent on the 1985 figure.

Investment income increased by 15.5 per cent in sterling terms to £231m.

After a tax charge of £43.3m, group profits were £137.1m, with a profit of £126.6m attributable to shareholders after minorities of £10.5m. Directors have recommended a total dividend of 23.5p, up 34 per cent.

Earnings per share rose from 14p in 1985 to 64.2p in 1986.

Sun Alliance also reported a 28 per cent boost in shareholders funds to £1.7bn. The group's solvency margin, the usual measure of an insurance company's financial strength, improved from 79 per cent in 1985 to 85 per cent at the end of 1986.

The group said last night that the continued gains in equity markets since the beginning of the year have brought this figure up to about 94 per cent in the last few weeks.

In the UK, Sun Alliance's biggest operating territory, the group's non-life business mix was about 55 per cent in personal lines, such as motor and householders' insurance, and 45 per cent in commercial classes of insurance.

Sun Alliance said that across the board it was now breaking even on underwriting results in commercial lines. Its personal householders' account in the UK returned to underwriting profit for the first time in recent years, after a £20m loss in 1985.

But motor results, which were slightly better than in 1985, remained poor, the group said. Its exposure to private motor insurance fell by 30 per cent during the year.

"Results from Europe were again seriously affected by a severe underwriting loss in Holland, largely from motor business," it added. Total underwriting losses in Europe fell from £30.8m in 1985 to £25.7m last year.

In the US, where most of Sun Alliance's business is managed by the New Jersey-based Chubb Corporation, underwriting losses fell from £18m to £7.4m.

GRE rises to £144m despite UK motor side

Guardian Royal Exchange, smallest of the UK's big five composite insurers, made pre-tax profits of £143.8m in 1986, up from just £3.5m the year before, in spite of continuing problems with UK private motor insurance.

Taking almost 40 per cent of its global premium income from the UK, GRE benefited from rate increases which cut underwriting losses from £66.9m to £22.3m. But the group said that it had seen motor claims frequency rise from 20.2 per cent of vehicles to 21.7 per cent at the end of 1986.

Worldwide, premium income rose by 18 per cent to £1.52bn, while total non-life underwriting losses fell by £74.5m to £79.8m, representing 5.3 per cent of premiums.

Life assurance profits rose from £19.1m to £21m.

Investment income rose by 13 per cent to £202m, with an underlying increase of nine per cent in local currencies.

After tax and minorities of £42.1m, profits came to £101.7m. Earnings per share were 63.6p for 1986, compared with losses of 8.7p in 1985. The directors are recommending an 18.3 per cent increase in the total dividend for the year to 34p.

The tax charge of £28.8m was 27 per cent smaller than usual, since GRE benefited from tax relief on losses in recent years.

Mr Peter Dugdale, chief executive, said the company was satisfied that it had made adequate reserves against further losses from its UK-based international professional indemnity account, which is now in a run-off after having been discontinued early in 1985.

In the US, underwriting losses fell from £28.2m to £8.9m with an operating ratio of 101, about six or seven points better than the US industry average.

In Germany, GRE had a relatively difficult year with underwriting losses up from £9.6m to £18.3m, because of intensified competition which kept premium rates down.

See Lex

Abbey Life improves 12% and rising trend goes on

Abbey Life Group, a major financial services conglomerate, yesterday reported a 12 per cent growth in its surplus from £34.6m to £38.8m in 1986.

Shareholders are rewarded with a 16 per cent dividend increase from 6.9p to 8p via a final of 5.5p.

New initial commissions, one measure used by predominantly unit-linked life companies to assess their growth, rose by 9 per cent from £46.4m to £50.8m with all sectors of new business, except regular premium pensions, showing strong growth.

The non-life subsidiaries had an after-tax profit of £1.5m against £900,000 in 1985—most of this growth coming from the buoyant unit trust operation.

An amount of £22.4m is being transferred from the long term business fund to profit and loss account to cover the payment of the dividend.

The remainder of the acturial surplus is retained in the Life Fund, bringing the accumulated surplus to £110.5m.

The free distributable surplus, after allowing for solvency margin requirements and future profits attributable to current in-force business, not allowing for any tax consequences, amounts to £96.7m.

The group reports sales in the first quarter of 1987 as encouraging compared with the same period in 1986. If this trend continues, then the group would have a growth rate higher than that achieved in either of the past two years.

● comment

Abbey Life's profit figure of £38.8m was considered by the market to be disappointing, being at the lower end of the forecast range. The share price reacted accordingly shedding 7p to 256p. New business growth from the group's expanding direct sales force has been offset by a decline in business from independent intermediaries, itself affected by an indifferent investment performance record. However, prospects for 1987 look more favourable. The investment team has been revamped under Alan Frost and the group is pushing ahead with sales in 1987 centred not only on its successful entry into the house mortgage market, but on new products. The group's chairman and managing director, Michael Hepher, is bullish about the new opportunities in the financial services sectors, in particular the new pension opportunities. He admits that this will require considerable input in products design and systems, but claims the cost implications are under strict control. Analysis are divided over their view on the potential for life companies from the new pensions scenario. However, the commitment of group to a progressive dividend policy, backed by strong retained surplus, rather than the new business prospects, account for the shares yielding 4.4 per cent gross.

Sun Life lifts its 1986 earnings 24% to £17.4m

Sun Life Group showed a rise of almost 24 per cent in proprietors' after-tax profits from £14.1m to £17.4m in 1986. The dividend payments for the year are lifted by 20 per cent to 28.5p per share, with a final payment of 18.1p.

Following the annual valuation of the Society, the traditional business provided a profit to shareholders of £12.4m—up about 10 per cent from the previous year of £11.3m. Policy holders receive £125.1m in the form of bonus additions with a substantial increase in terminal bonus payments.

The group's unit-linked operations showed substantial growth in 1986. The assurance operations showed a 50 per cent increase in profits to £1.2m and the pensions business a 33 per cent rise to £2.3m.

The successful launch last year of the unit trust operation was the main contributor to the £1.3m profit from other business.

Proprietors' investment income showed a slight increase from £1.7m to £1.8m. Total funds under management rose by more than £1bn on the year to £4.9bn at the end of 1986.

New business levels during the early part of 1987 showed a continuing upward trend.

Mr Peter Grant, chairman of Sun Life Assurance Society.

● comment

The rows between the Sun Life board and its major shareholder, TransAtlantic Insurance Holdings, and the speculation of a possible merger between the group and another institution have overshadowed the excellent results achieved last year. The rise of 4 in the share price to £10½ put the share price at least £1 above the current estimates of Sun Life's underlying asset value on whatever appraisal basis is used. But only part of this share price rise comes from the profit figures and reflects the continued growth prospects for the next two years, with growing concentration on unit-linked developments. The group has a strong investment team. Its long experience in both the group and individual pensions market stand it in good stead to make the best of the opportunities offered by the new pensions environment, if the board rows do not lead to a mass exodus of experienced staff.

Hepworth Ceramic makes £64m double TI purchase

BY NIKKI TAIT

Hepworth Ceramic, the building materials company which last month abandoned any hopes of a merger with Birmid Qualcast, yesterday announced that it is buying the two heating businesses in TI's domestic appliance division for £63.5m.

These are Glow-worm, which makes gas appliances, and the much smaller Parkray group, specialising in solid-fuel appliances. The acquisition will give Hepworth about 23 per cent of the gas boiler market and will be financed by a vendor placing with a clawback for existing shareholders.

TI, having disposed of its small-appliance businesses—Russell Hobbs and Tower Housewares—to Polly Peck at the end of last year, says that it will now put the remaining parts of its domestic appliance division up for auction. This will be handled by bankers, S. G. Warburg, through a controlled tender and is likely to take several months.

The remaining businesses include Creda, which makes electrical appliances; New World, the gas cooker manufacturer; and Turnright Controls.

Yesterday's deal was widely predicted after Hepworth's talks with Birmid proved abortive, leading to the sale of its stake in the lawnmowers and foundries company three weeks ago.

TI had already declared its intention to pull out of domestic appliances and concentrate on specialised engineering. And the business is well-known to Mr Sinclair Thomson, Hepworth's group chief executive, who ran the TI white-goods arm before moving to Hepworth last year—having started as marketing manager for Glow-worm 17 years ago.

Yesterday, he stressed that this was not "a return to his fiefdom" but that there was strong commercial logic in the deal. More than half Hepworth's £362m sales go through similar distribution channels to Glow-worm and Parkray products, and the acquisition will up Hepworth's profile on the consumer side.

Of the two companies, Glow-worm is by far the larger with annual sales of about £56m compared with £15m for Parkray. Together, the businesses saw operating profits slide from £9m in 1983 to £6.5m in 1985 under the impact of new VAT rules and static sales, but this figure recovered to £8.2m in 1986. There is no debt in the two companies and net assets are put at £15.9m.

Once the deal is completed, Hepworth also plans to combine its existing refractories interests with its newly-acquired metal-working capacity, and launch its own electric night-storage heater within 12 months.

Hepworth said that it had first registered an interest in TI's domestic appliance division in February and had at one stage considered buying the entire business, selling off the white goods side. However, it stressed that its long-term interest had only ever been in the heating companies. The deal could only go ahead once the Birmid decision had been taken; Birmid and the TI interests would have created monopoly problems.

Finance for the deal comes from a vendor placing of 32.4m Hepworth shares, representing 17 per cent of Hepworth's enlarged capital. The shares have been conditionally placed by Schroders, Hepworth's bankers, at 196p although Hepworth shareholders can apply at the same price on a basis of one share for every 4.8 held. Shares in Hepworth lost ½p to 216½p; TI gained 5p to 660p.

Hepworth—which has little debt—said that it had chosen to place shares rather than pay in cash so that "it's powder was dry" if it wished to make further acquisitions.

Aurora rises 21% to £11m

Aurora, an international group manufacturing engineering products and a distributor of special steels, machine tools and building products, has more than maintained the progress shown at the half year with a 21.5 per cent rise from £9.09m to £11.04m in pre-tax profits for 1986. The gain at the half year was 20 per cent.

Sir John Hill, the chairman, stated that with more encouraging prospects emerging both for the UK economy and world trade in general, and with the key elements of the company's future strategy in place, it was confident that the improvement in performance could be sustained.

The metals and tools sector performed particularly well despite a loss, albeit substantially reduced, at the Edgar Allen Foundry, and the forging and extrusion companies produced excellent results, increasing their share of aerospace markets.

The fasteners and distribution sectors both achieved strong profit improvements, benefiting from the firm demand in the building and home improvement markets. By contrast the engineering sector experienced difficult market conditions and both sales and profitability declined. Once against the Australian companies made an important contribution to group profits despite the continued weakness of the Australian dollar.

The consideration for the sale of the Edgar Allen Foundry in Sheffield, previously announced, is £15m gross (the book value was £663,500). Although the board was not yet in a position precisely to quantify net benefits after allowing for costs of reorganisation, it was confident that the sale would provide the company with a timely opportunity to restructure its foundry interests.

Sales in 1986 totalled £112.8m (£107.6m) and the operating profit was £11.3m (£9.5m). Tax charged was £2.4m (£2.2m) and minority interests were nil (£3,000).

There was an extraordinary credit of £367,000 (nil) reflecting the gain on the sale of a 25 per cent holding in Van Eyle and Ruygers, a distribution company in Holland.

Stated earnings per 10p ordinary were 8.54p (6.88p) and a final dividend of 1.25p makes 1.75p. Because of the change in capital structure effected in 1985, there is no valid dividend comparison, but a total of 0.95p was paid on the old preferred ordinary shares. Holders of the 6.5 per cent cumulative redeemable preference shares are entitled to a dividend of 9 per cent in any year in which profits after tax exceed £7.5m. Consequently an additional dividend of £200,000 will be paid.

● comment

These were better than expected results from Aurora with all three of the group's biggest divisions performing well: metals and tools experienced buoyant demand for aerospace forgings, the Australian steel stockholding operation shrugged off the effects of a further 7 per cent fall in the dollar, and distribution in the UK had a strong boost from home improvements activities. This year an improved performance from engineering and the extinction of the Edgar Allen Foundry losses should help the group towards £12.5m. That puts the shares, down 7½p at 89p on a prospective p/e of under 10 in spite of an increase in the tax charge to 25 per cent. As ever, the discount to the sector seems to understate the new management's achievements since the 1983 collapse. Aurora's transformation into a cash rich vehicle with £16m in the kitty should be enough to awaken interest, but the market appears content to sit it out until it has seen how well the company can spend it.

Rotaflex

An article in the FT of March 31 implied that Emess Lighting had recently lured an executive from Rotaflex to head one of its subsidiaries. In fact, the executive left Rotaflex in 1982.

LEISURETIME INTERNATIONAL has completed the sale of its Portuguese interests by the sale of its interest in Prado do Golf 1 for a total consideration of £1.2m.

BOARD MEETINGS

TODAY

Interims: Burton, Christy Hunt, Druck, Ferry Pickering, Gabicci.

Finals: Anglo-American Investment Trust, BSG International, J. Billam, Coates Brothers, Cookson, Empire Stores (Bradford), John Laing, Laird, London and Manchester, William Morrison Supermarkets, Mustering, Portals, Reckitt and Colman, Scears, Sherwood Computer Services, Weir.

FUTURE DATES

Interims—	
Cosalt	Apr 21
Intnl. Invest Trust of Jersey	Apr 10
Finals—	
Allied Insurance Brokers	Apr 13
Avis Europe	Apr 15
Ayrshire Metal Products	Apr 22
Barry Birch and Noble	Apr 9
Dinkie Heel	Apr 10
Guinness	Apr 23
Hey (Norman)	Apr 3
Jacques Vert	Apr 30
Thurgar Bardex	Apr 6
Wayne Kerr	Apr 9

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div	Total for year	Total last year
Abbey Life	5.5	—	4.7	8	6.9
AMEC	7.5	July 1	7	12	11
Aurora	1.25	May 15	—¶	1.75	—¶
Baillie Gifford	0.2	—	1.5	0.2	1.5
Elys (Wimbledon)	9.5	—	8.5	10.5	9.5
GRE	24	—	19.75	34	28.75
Jove Inv Tst ...2nd int	3.14	May 30	2.85	5.79	5.35
MY Holdings	†0.85	June 29	0.68	1.35	1
North Mid Coast	1	—	0.3	1	0.3
Sun Alliance	18	—	11.75	23.5	17.5
Sun Life	18.1	—	14.4	28.5	23.74
Tilbury Group	†5	June 10	3.8	6.8	5.3

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ No valid dividend comparison. Capital was restructured in 1985; a total of 0.95p was paid on old preferred ordinary capital.

Hyams urges no action on MEPC bid

Mr Harry Hyams yesterday once again urged fellow Oldham Estates shareholders to take no action on the bid from MEPC, the property group three times its size. The issue is certain to dominate Oldham's annual meeting today in London.

Although MEPC declared the offer unconditional after the Co-operative Insurance Society accepted on behalf of its 68.32 per cent holding in Oldham, the precise value of the bid has not yet been determined.

MEPC is offering three shares plus 440p for every £17.60 of Oldham's formula asset value. With MEPC shares at 386p yesterday, its offer carries a 9 per cent discount to asset value.

MEPC and CIS have until next Thursday either to accept Oldham's own valuation, with or without adjustment, or commission a new one.

Mr Hyams, Oldham chairman for nearly 30 years, holds 29.8 per cent of the company, with the rest of the minority owned by about 200 shareholders.

Ratners leaseback

Ratners Group, jewellers, has completed the sale and leaseback of approximately £9.1m. This represents an increase of some 34 per cent over the book value of the properties as at January 31 1986.

The total funds raised through sale and leasebacks this year amount to over £36m.

HODGSON HOLDINGS: Designation and recording of bargains temporary suspended at company's request, pending publication of details of an acquisition.

UK COMPANY NEWS

Swiss in £50m agreed bid for United Leasing

Inspectorate EaE, a subsidiary of the Swiss group Inspectorate International, is making an agreed £50m cash bid for United Leasing, the IBM computer leasing group.

United has had a bump stock market ride in recent years. It reported a 17 per cent downturn in pre-tax profits at the last full year stage — and recently sold its loss-making micro-computer distribution and maintenance business to Micro Business Systems.

"After the recent purchases of Greyhound Computer by Bell Atlantic and of Dataserv by Bell South," said Mr Parry Mitchell, United's chairman yesterday "it became apparent with our capital base and p/e, the chances of sustainable growth would be difficult. So we decided last September to look for a purchaser."

The chosen bidder was Inspectorate, which already owns a US leasing company called Meridian. The two companies will merge and Mr Mitchell believes that Meridian will greatly strengthen United's US and continental operations. The Swiss group also owns Automation Centre International and it said yesterday that the additio nof United would make it "a leading world firm in the configurattion and financing of computer systems."

Parry Mitchell, chairman of United Leasing.

Inspectorate is controlled by the Swiss financier Mr Werner K. Rey. His other interfests include controlling stakes in Swiss Metal and engineering companies, and a minority holding in Swiss Cantobank (International), but in recent years he has centred his service sector activities on the Neuchatel-based Inspectorate International.

The grou phas recently made a series of take-overs, the biggest of which was the purchase at the end of last year of a majority shareholding in Harpener, a German company with a turnover of DM 500m. Mr Rey was particularly interested in Harpener's extensive property holdings, apart from its operations in data processing services and transport.

Inspectorate has also built up a presence in the US security systems sector with the purchase of Multi Watch Security and Network Multi-Family Security. In February it announced the takeover of Nationwide Leisure, the UK caravan and holiday camp company, for £8.3m.

The terms of yesterday's offer are 265p in cash for every ordinary share in United (compared with Tuesday's close of 231p) and £145.75 in cash for every £100 nominal of convertible stock. United's directors, their immediate families and related trusts, have undertaken to accept the offer, in respect of their holdings of 7.92m shares, 40 per cent of the fully diluted share capital.

United's shares closed up 30p at 261p.

Beecham sells US group for £28m

By Richard Tomkins

BEECHAM, THE pharmaceuticals group, is to sell a second chunk of its home improvements businesses to a private US investment company for $45m (£28m).

Roberts Consolidated Industries, a group of floor covering accessory companies based in Los Angeles, is to be sold to Dubin Clark, based in Greenwich, Connecticut.

The consideration will be $40m in cash and $5m in redeemable preferred stock in a new company to be formed by Dubin. The transaction is due to be completed early this month, so missing Beecham's March year-end.

Beecham's move comes as part of a strategic review of its worldwide activities announced last June. In December it announced the sale of its home improvement product businesses in Britain, France and West Germany to Henkel of West Germany for about £42m.

Beecham said yesterday that the third and final stage of its home improvement business disposals would follow shortly with the sale of the DAP retail and industrial businesses in the US.

The Roberts group of companies was acquired by Beecham in 1984. In the year just ended on March 31, it made estimated pre-tax profits of $5.1m on sales of $68m. The net book value of the assets being sold is put at $34m.

Beecham paid $85m for the companies but that figure included the Roberts retail, industrial adhesive and wood preservative brands which have since been transferred to DAP. These will be included in DAP's sale.

MMC clears EMAP bid

By Raymond Snoddy

THE Monopolies and Mergers Commission has cleared the acquisition of Courier Press Holdings, the privately owned Midlands newspaper group, by EMAP, the publicly quoted magazine, newspaper and exhibitions group.

The Commission concluded in a report published yesterday that the transfer of the Courier Newspapers to EMAP would not be against the public interest.

The acquisition had to be referred to the MMC under automatic provisions of the Fair Trading Act of 1973.

The EMAP offer in December was worth £21.5m in cash and slightly more in an alternative offer of shares.

The EMAP acquisition, the Commission decided, would not be likely to have adverse effects on employment and might provide opportunities for increased efficiency in an expanded group.

The company will become the largest in the weekly paid-for market if the Department of Trade and Industry gives the go-ahead for a £16.6m acquisition, of Senews from the Ladbroke Group.

600 Group sells scrap metal interests for £4.3m

BY NIKKI TAIT

MACHINE-TOOL manufacturer The 600 Group yesterday announced that it is bowing out of its original business with the sale of its George Cohen Sons scrap metal division to a privately-owned company, Monks Ferry (Shipbreaking), for £4.3m in cash.

This means that there will no longer be any company listed on the stockmarket with significant svrap interests, according to 600.

Yesterday, Mr Noel Davies, 600's group chief executive, said that the decision had been prompted by three factors: the difficulty of competing with private companies; the competitive policy of British Steel Corporation; and the currency advantage which US suppliers enjoyed at present in Europe.

The company has ben assessing all parts of its business and recently closed W. E. Sykes, the gear-shaping machine manufacturer.

In the year to end-March, 1986, GCS made a pre-tax loss of £715,000 on sales of more than £55m—compared with group profits of £6.7m. Losses in the current 12 months are likely to be of the same order.

However, 600 will retain its re-usable steel business, under the GCS (Steels) name, and its joint venture interest in fragmentising plant in West London. The retained businesses made pre-tax profits of £442,000 in the year to March 1986.

Assets being sold have a book value of £5.3m and take in depots at Southampton, Chard, Kingsbury, Manchester, Motherwell and Belfast. The purchase price comes in three parts—£1.3m on completion, £1.5m after a further nine months, and £1.5m in March 1989.

Yesterday, 600 said that it had no immediate acquisition plans for the cash, which would go instead to reduce borrowings. Longer-term, purchases may be considered — last December, the company diversified into industrial lasers, with the purchase of Electrox.

Yesterday, The 600 Group shares slipped 2p to 146p.

Cambridge offer oversubscribed

THE OFFER for sale of Cambridge Instrument, the scientific equipment manufacturer, was oversubscribed when applications closed yesterday.

About 36.26m shares were offered at 130p each, representing 37 per cent of the enlarged equity. On the basis of Cambridge's pre-tax profits forecast of £7.5m, the prospective p/e was 14.8 on an actual and 19 on a nominal tax basis.

Public Works Loan Board rates

Effective April 1

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
1	—	—	9[illegible]	—	—	10[illegible]
Over 1 up to 2	9[illegible]	9[illegible]	9[illegible]	10[illegible]	10[illegible]	10
Over 2 up to 3	9[illegible]	9[illegible]	9[illegible]	10[illegible]	10[illegible]	10
Over 3 up to 4	9[illegible]	9[illegible]	9[illegible]	10[illegible]	10[illegible]	10
Over 4 up to 5	9[illegible]	9[illegible]	9[illegible]	10[illegible]	10[illegible]	10
Over 5 up to 6	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]
Over 6 up to 7	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]
Over 7 up to 8	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]
Over 8 up to 9	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	10
Over 9 up to 10	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	10
Over 10 up to 15	9[illegible]	9[illegible]	9[illegible]	9[illegible]	10	10
Over 15 up to 25	9[illegible]	9[illegible]	9[illegible]	10	10	9[illegible]
Over 25	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]	9[illegible]

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

COMPANY NEWS IN BRIEF

DELTA GROUP (engineers, electrical equipment): Acquired Econa Triflow from Newman Tonks for £2.6m and has also purchased Glasgow-based Thomas Porter and Sons.

MARLING INDUSTRIES (textiles, webbing and industrial fabrics) has acquired Byron Textiles, incorporating Multiple Winding, for a consideration of £1.163m, satisfied as to £201,000 cash and remainder as the issue of 782,113 ordinary.

GKN has reached agreement with Zahnradfabrik Friedrichshafen, West German automotive components company, on changes in the ownership of the joint venture in viscous control units. GKN's offshoot Uni-Cardan had increased its stake in Viscodrive from 50 per cent to 75 per cent and is taking a 20 per cent stake in a new company Steertec Lenkungen, with ZF having the rest.

REED EXECUTIVE (Holdings) is forecasting profits in excess of £6m for the year to March 28 1987. Mr Alec Reed, chairman, said this represented a substantial increase on previous City forecasts. He added that a number of factors had resulted in the increase. Mr Reed said: "The employment market has grown at a rate beyond that anticipated and Reed's own growth has exceeded that of the market." The group reported pre-tax profits of £3.56m for 1985-86.

S. CASKET (Holdings) has entered the hosiery market by acquiring S. Lockley (Hosiery) for a consideration of £600,000 to be satisfied by the issue of 483,870 10p ordinary shares in S. Casket at an agreed notional value of 124p per share.

AARONSON BROTHERS, chipboard manufacturer, reported a 20 per cent increase in turnover at its annual meeting. Mr Ronnie Aaronson, chairman, said the buoyancy reported in the annual report had continued into 1987. "Turnover so far this year has increased by some 20 per cent and the Board are therefore looking forward with increasing confidence to excellent results."

NEWMAN TONKS Group has completed the sale of its Econa Triflow solder ring and end feed plumbing fittings business to Delta Fluid Controls, a member of the Delta Group. In the financial year to October 31, 1986, pre-tax profits of around £250,000 were attributable to the Econa Triflow business. The aggregate consideration is approximately £2.6m in cash, which includes a surplus of £750,000 over the value of the assets. Of the total consideration, £2.5m has already been received, and the balance is receivable in early June.

BAILLIE GIFFORD Technology (investment company). Dividend 0.2p (1.5p) for year to February 28 1987. Net asset value at year end was 102.1p (94.6p) and earnings per share for year were 0.25p (2.09p). Gross investment income £276,279 (£635,648) and revenue before tax, £381,099 (£381,049). Tax charged was £10,746 (£150,559).

UK COMPANY NEWS

Growth returns at AMEC as profits rise to £30.5m

BY TERRY POVEY

AMEC, building, engineering, property and housing group, appears finally to have broken out of a three-year spell of static profits. It reported a £5m rise in pre-tax profits to £30.5m yesterday thanks to a substantial cut in administration costs and a better trading performance in all divisions.

During the past year, AMEC has appointed a new finance director, Mr John Early, and hired former John Laing executive Mr Oliver Whitehead to be director in charge of the group's civil and related engineering activities. AMEC has also produced a divisional breakdown of pre-tax profits for the first time.

Turnover for 1986 was £711m, static compared with the previous year's £751m, once the effect of the change in the treatment of project income is taken into account. In the 1986 figures, AMEC only included the fee portion on projects which it was managing. In 1985 it booked the full turnover figure, a difference of some £35m.

Administration costs were down by £10.6m to £48.9m and operating profit was ahead by a little more than a third to £26.3m. Related companies, Worley-Sante Fe in the US and Fairclough Homes, contributed £1.4m (£1m) and the combined net income from investments and interest earned was £2.8m (£5.2m).

On the new divisional basis, AMEC reported a pre-tax contribution of £17.2m (£15m) from building and civil engineering, £7.8m (£6.3m) from mechanical and electrical engineering, and £5.5m (£4.2m) from property and housebuilding, making a total of £30.5m (£25.5m).

Alan Cockshaw, chief executive of AMEC.

After tax of £11m (£9.5m) and £200,000 in minority interests, attributable profits were £19.3m (£16m), producing earnings per share of 30p (24.9p). The final dividend recommended is 7.5p (7p) which takes the total payout to 12p (11p) for the year. The dividend is covered 2.4 times by earnings.

An extraordinary charge of £1m arose from the losses incurred in the rationalisation programme within the James Scott companies.

Mr Bill Morgan, chairman, said that most companies within the group had full order books for this year and that although there had been a noticeable slowing of public sector contracting orders this was being compensated for by a growth in power and defence industry projects.

The housebuilding activities, he said, were on track to achieve 1,000 units in 1987 and had a land bank sufficient for about two years. Of the planned house-build, about two-thirds was in the south-east of England and the rest was in the north-west.

At the year-end there was a net cash balance of £35.7m (£30.5m) and shareholders' funds had risen to £100.1m (£90.6m).

● comment

AMEC's stockmarket rating still seems to reflect too much of the three years' hard slog of digesting William Press rather than the progress made in the last year. A couple of new brooms have helped slash administration costs and a sizeable amount of rationalisation expenditure has been taken above the line. There is also a more cautious approach to work in progress profits (nothing has been taken from Sellafield yet in spite of the three years work done) and an admirable determination to achieve steady growth over the next few years. However, most analysts are bearish on contracting and institutions are being advised to reduce their holdings in the sector. Under such circumstances £34m pre-tax this year, a prospective multiple of just under 10 on 330p down 3p in a sellers' market) backed by a yield of 5.2 per cent could be an argument for a switch into AMEC out of some of the more highly rated stocks.

Aberdeen Steak's brokers resign

By Ralph Atkins

THE BROKERS to Aberdeen Steak House, Fiske & Co, have resigned.

The move follows the resignation on Monday of two non-executive directors of Aberdeen Steak Houses who said they were stepping down after a High Court ruling last month that the company underpaid staff.

The two directors said that they had received assurances at the time they joined the board that there was no foundation to complaints by former employees about pay.

Mr Brendan Budd, a partner at Fiske, in confirming Fiske's resignation, said: "The High Court judgment would have had a bearing on that decision."

Chartered Trust

Chartered Trust, the UK financial services subsidiary of Standard Chartered, yesterday reported pre-tax profits up 47 per cent to £12.534m for 1986.

Sir Idwal Pugh, the chairman, said all divisions had contributed to the improvement. "We achieved record new business volumes, and increased our market share in both motor and consumer sectors."

Despite competitive pressures, emphasis on credit underwriting and control also allowed the group to reduce the charge for bad and doubtful debts expressed as a percentage of customers' accounts.

Sir Idwal expects "further growth in both profits and asset base in 1987," he added.

UK COMPANY NEWS

Woodchester makes double move into consumer finance

BY CLAY HARRIS

Woodchester Investments, Irish leasing company, is to take two large steps into consumer finance, confirming its role as British and Commonwealth Holdings' investments vehicle in the two sectors.

It is to pay Lloyds Bowmaker Finance, subsidiary of the UK clearing bank, I£10.4m (£9.6m) for its Irish operation, Bowmaker Bank. Woodchester will also make its first move into UK consumer finance through the purchase for £4.1m of the 25.5 per cent stake in Moorgate Mercantile Holdings owned by B&C subsidiary Bricomin Investments.

The acquisitions strengthen Woodchester's Irish base, making it the sixth largest public company in the Republic with a market capitalisation of about £130m, and give it a sprinboard for expansion to the UK and continental Europe.

Both transactions will be funded through the issue of new shares, which have been placed with B&C. Woodchester plans to raise an additional I£9.8m through a share placing to outside investors in the UK and Ireland. The net effect will be to lift B&C's holding in Woodchester from slightly less than 51 per cent to 53.8 per cent of issued share capital expanded by 25 per cent.

Bowmaker had advances of I£53m and net tangible assets of nearly I£5.1m at the end of last year. It reported pre-tax profits of I£1.35m in 1986.

Mr Craig McKinney, Woodchester chairman, said yesterday that Bowmaker's corporation tax liability of I£800,000 in the past year almost exactly matches Woodchester's figure for currently irrecoverable advance corporation tax. This tax benefit allowed Woodchester to bid more aggressively against the three other serious contenders, he said.

At present, about 90 per cent of Woodchester's business involves the provision of leasing facilities. Instalment finance comprises 46 per cent of Bowmaker's business. With branches in eight Irish cities and towns, Bowmaker will extend the geographic reach of Woodchester, which at present has offices only in Dublin and Cork.

Bowmaker is set to announce a significant move into retail finance before the end of April, Mr McKinney said.

The stake in Moorgate Mercantile, a consumer finance house, is intended to give Woodchester experience for pursuing further growth in the UK. The price paid to Bricomin was 62p a share, against yesterday's market price of 69½p.

Woodchester has first refusal to buy Milestone, B&C's one remaining leasing interest outside its control, but such a transaction would probably await Woodchester's own entry into the UK market. Woodchester shares were placed at 560p, against the market price of 540p, up 10p.

Sharp boost for MY Holdings

MY Holdings, manufacturer of sports equipment, packaging materials and pyrotechnics, returned profits of £2.11m for the 12 months to December 27, 1986, an improvement of 25 per cent over the previous year's £1.69m.

The results included those of the Sharp companies, which were acquired last summer for an agregate £4.1m in shares, on a pro-forma basis.

Group turnover for 1986 edged ahead from £29.95m to £30.75m. A divisional breakdown of profits shows packaging £2m (£1.71m) and sports and leisure equipment £523,000 (£255,000). The pyrotechnic division swung from profits of £192,000 to losses of £96,000 despite a strengthening order book.

Interest charges for the year were reduced from £468,000 to £318,000. Tax, however, took £132,000 more at £757,000 and left earnings at 4.28p, against a previous 3.51p.

A final dividend of 0.88p raises the total by 0.25p to the forecast 1.25p net per 10p share.

The unsuccessful offer for Standard Fireworks, which lapsed last May, cost MY Holdings £164,000. The figure was treated as an extraordinary item along with a £69,000 loss on the sale of a property—extaordinaries in the previous year accounted for £88,000.

At year-end the group's net asset value per share stood at 35.43p (34.29p). Borrowings as a percentage of shareholders' funds amounted to 10.7 per cent (24.8 per cent).

The Sharp companies (Sharp Interpack and Cathedral Compounds) were acquired via an issue of 11.08m shares.

The two companies are effectively managed as a single unit and are in the business of vacuum-formed packaging, specialising in blister packs.

● comment

Last August's Sharp acquisition proved a sharp move indeed for MY Holdings—the packaging company contributed half of the enlarged group's profits. The division as a whole now contributes four-fifths of operating profits, despite problems at Crescens Robinson last year. The remaining fifth comes from sports and leisure, once the heart of the group when it was known at MY Dart and now showing the benefits of rationalisation. But the damp squip of the bunch is pyrotechnics which, having failed to acquire Standard Fireworks, the company may divest this year. Despite the change in name MY's rating sits closer to its dartboard past than its packaging present and even assuming a pre-tax profits advance to only £2.5m this year, the fully diluted prospective p/e looks undemanding at 10 on yesterday's share price of 47p. But it may need another acquisition like Sharp to boost it.

Fine Art purchase

Fine Art Developments is acquiring Sealand Nurseries, which sells through high street retailers and its own mail-order business.

Mr Michael Hall, finance director, said the acquisition would be another step in the development of the company's mail order strategy and would add a further dimension to its dedicated outlets.

YEARLING BONDS totalling £2.0m at 9¾ per cent, redeemable on April 6, 1988, have been issued by the following local authorities. Braintree District Council £0.5m; Eastbourne Borough Council £0.5m; Rochdale Metropolitan Borough Council £1.0m.

Tilbury tops £5m: bid not ruled out

By Ralph Atkins

TILBURY GROUP, the property and construction group in which Raine Industries has a 23.2 per cent stake, increased pre-tax profits by 63.6 per cent to £5.28m in 1986.

Raine Industries increased its stake in Tilbury in December but promised not to make a hostile bid before June unless a bid emerges from a third party.

Mr Patrick Edge-Partington, Tilbury's chairman, said he had met with the chairman of Raine earlier this year but the meeting had been "inconsequential."

However, a recommended takeover was not being ruled out. "That depends on what was offered," he said.

Turnover in 1986 increased from £66.32m to £108.40m. Earnings per share rose from 13.7p to 20.8p.

Mr Edge-Partington said 1986 saw real progress and there had been no attempt to make the results look better to deter predators. "We regard it as a first step for the group and not just a giant step to a higher plateau," he said.

Shares in Tilbury closed up 5p at 282p.

Last year saw a number of changes in the Tilbury group. Proceeds from the £6.5m rights issue were used to buy the Scottish division of Christian Salvesen's housing development business.

It also acquired West's Group International, a specialist construction contractor, in April for £9.25m but has since sold three of West's manufacturing businesses for a total of £3.9m.

Tilbury also disposed of its roadstone division for £15m, leaving the group with two main divisions—construction and property.

Extraordinary income of £6.68m compared with a provision of £45,000 in 1985.

Gearing fell from 38.2 per cent to 16.3 per cent.

A final dividend of 5p is proposed making a total for the year of 6.8p against 5.3p in 1985.

ASSET TRUST announced that discussions with a third party which might have led to an offer, have been discontinued.

UK COMPANY NEWS

Authority Investments makes £10.25m cash-call

BY RALPH ATKINS

Authority Investments, the banking and property group, has launched a rights issue to raise £10.25m net.

It also announced the acquisition for £5.1m of a 51 per cent stake in City Management, a Jersey-based international financial services company.

The moves follow the appointment last July of a new chairman, managing director and executive director at the company that was formerly chaired by Lord Lever.

The group is now concentrating on three areas: banking services; property investments; and strategic investment in private and public companies.

The rights issue of 3.37 shares at 320p a share is on the basis of one new share for every two already held and one new share for every £3.80 nominal of Authority convertible stock.

Of the £10.25m raised, £4.1m cash will be used for the City remaining £1m of the purchase price will be financed through a vendor placing of 280,837 new shares.

City Management will add to the services Authority can provide and give access to the financial services industry in the Channel Islands.

"This will enable us to expand our client base by having a wider range of products," said Mr David Backhouse, chairman. "It is a very neat and natural fit."

Authority has an option to acquire the remaining 49 per cent in City Management. The consideration will depend on City Management's performance in the next five years.

The acquisition leaves £6.15m cash from the rights issue which will be used to finance property investments. Authority has plans to add penthouses to its existing mansion blocks.

Mr Backhouse said there were also proposals to buy for about £5m each two blocks of flats in central London.

The group plans to dispose of all of its property portfolio apart from central London residential within two years.

It also plans to obtain court and shareholders' approval to cancel the share premium account. There will be an extraordinary general meeting on April 24.

Profits at Peek continue to recover

By Janice Warman

Peek Holdings, the company controlled by South African industrialist Mr Kenneth Maud, has continued the recovery begun in the first half of 1986 with full year pre-tax profits of £51,415, compared with losses of £596,577 in 1985.

Peek was acquired last August by Mr Maud with the intention of building the former grain and animal foods group into an industrial holding group by acquisition.

Mr Maud was previously deputy chief executive of Allied Technologies, South Africa's largest electronics and electrical equipment group.

A reorganisation of Peek's share capital raised £1.4m. In February it acquired Sarasota, a high technology instrument group, for around £25m.

Mr David Walsh, a director, said the company's turnaround had been largely due to increased volume in the grain storage business, the benefits of redundancies made in previous years and general control over expenditure. It had also benefited from the capital injection.

The board hoped for a return to paying a dividend by the end end of the current financial year, he said.

The acquisition of Sarasota was alogica l first step in the implementation of Peek's policy of expansion and diversification, he said.

Turnover for 1986 rose from £2.83m to £4.66m, and net interest charges fell from £52,007 to £12,221.

After extraordinary costs of £92,101 (credit £29,565), mainly caused by the capital reconstruction, the retained loss stood at £40,686 (£410,044 loss).

Earnings per share stood at 0.17p, compared with 1985's loss of 4.98p.

Peek's shares closed down 5.5p at 21.5p.

Aquascutum profit £3m

Aquascutum, manufacturer, wholesaler and retailer of fine clothes and accessories, produced an improvement from £1.77m to £3.09m in pre-tax profits after crediting exceptional items of £648,000 (nil) in respect of rates refund from prior years.

Turnover in the year rose from £37.9m to £41.5m, reflecting an improvement in margins, pre-tax to sales from 4.7 to 5.9 per cent.

Tax charged was £1.13m (£769,000) and minorities took £2,000 (same), leaving net attributable profits of £1.96m (£994,000 before extraordinary items of £270,000).

Net earnings per share were 6.8p (4.19p). The dividend on the ordinary and "A" ordinary shares is maintained at 2.5p, with a final of 1.7p. There is an additional dividend of 1.75p on the £1 preference shares.

Recovery in second half for Elys

Elys (Wimbledon), department store, achieved the hoped-for recovery in the second half to report pre-tax profits down by only £27,000 at £475,000. The interim figure had fallen from £82,151 to £1,831.

At the time directors said the result was affected by the cost of developing the store, which was completed in June. They hoped that the second half figures would reflect the benefits. Profits in the second six months improved by 13 per cent to £471,000 (£417,000).

Turnover for the year to the end of January 1987 increased 17 per cent from £6.73m to [illegible]. After tax of £147,000 (£190,000) attributable profits came out at [illegible] ([illegible]) for earnings per share of 27.2p (25.8p).

The directors are proposing a final dividend of 9.5p (8.5p) making a total for the year of 10.5p (9.5p).

There was an extraordinary credit this time of £1.22m making profit for the year £1.64m against £310,000 last time.

North Midland recovers further

North Midland Construction achieved a turnover of £12.31m and pre-tax profits of £225,000 in the 16 months ended December 31 1986.

In the preceding 12 months turnover rose from a depressed £7m to £8.46m and losses were halved to £65,000.

Unaudited results at December 31 1985 showed that the company had produced its anticipated return to profitability.

At that time the directors said the company had a good level of orders on hand and they anticipated profitability would continue.

A dividend of 1p net is being recommended for the 16 month period—shareholders received 0.3p for 1984/5.

Tax for the 16 months took £65,000. For 1984-85 there was a tax credit of £81,000 and an extraordinary credit of £169,000.

The company, based at Sutton-in-Ashfield, Nottinghamshire, is a civil engineer and public works contractor.

Paul Michael

Paul Michael Leisurewear has entered into a conditional agreement to acquire Springrealm and Brainbridge for an aggregate initial consideration of £1.78m in shares.

Further consideration will be payable if the two companies' profits for the year to May 1987 exceed £275,000.

On completion of the purchases PML will place 1,666,667 new ordinary shares with institutional and other investors via Jacobson Townsley & Co at 45p to raise some £635,000 net.

Springrealm imports, wholesales and exports designer men's knitwear. Mr D. Fallman and Mr P. Werth, principal shareholders and executive directors of Springrealm, will be invited to join the board of PML.

Adwest disposal

Adwest Group has sold Burman and Sons to Teampace Holdings, a privately-owned industrial holding company for £1. In addition, Teampace has acquired for £1m, £1,864,933 of a loan of £4,364,933 due from Burmans to Adwest. The balance of the loan, amounting to £2.5m, will be repaid, together with interest, over the next three years.

The freehold land and buildings occupied by Burmans were transferred to Adwest Properties prior to completion, and have been leased back to Burmans for 10 years at a rental of £175,000 pa.

Jove Invest. Trust

Net asset value of Jove Investment Trust's 10p income shares edged ahead from 51.38p to 51.43p over the 12 months ending February 28 1987. The asset value of the 2p capital shares surged from 39.03p to 73.69p.

Net revenue for the period emerged at £826,928, compared last year's £760,466, after tax of £296,371, down from £328,027.

MANAGEMENT : Marketing and Advertising

EDITED BY CHRISTOPHER LORENZ

Market research

Polls command the attention

BY ANTONY THORNCROFT

LAST WEEK a thousand market researchers gathered in Brighton to celebrate yet another year of booming business. The only subject not publicly discussed was that area of the industry which brings market research into the mainstream of national life, and which, with little exaggeration, offers it the opportunity to determine governments — the opinion polls.

It is ironic that, while market research is striving to raise its image and to have its contribution to corporate profitability more generally acknowledged the activities of a handful of research companies — those that undertake electoral opinion polls — can, roughly every four years, put share prices and sterling on a rollercoaster. They can determine the date, even the result, of a General Election.

The influence of the polls was considerable when two parties struggled for power. Now, with three, and the acknowledged importance of polls in directing the tactical vote, researchers are the subject of concentrated attention.

They are both thrilled, and appalled, by their influence. Opinion polls represent a minimal part of their activities — less than 3 per cent of a turnover which this year could touch £850m; and only five research companies — MORI, Gallup, Marplan, NOP, and Louis Harris, are actively involved. But it is wonderful publicity for all, and if the polls get the election result right, the entire market research industry will benefit.

But there are problems. The researchers will think that they have done an excellent job if their predictions are accurate within the range of 2 or 3 per cent. But, in a close election, an error of this size could result in an inaccurate prediction — as happened in 1970.

The other difficulty facing researchers is the likely incidence of rogue research organisations with little experience of undertaking polls. This has already happened, particularly in single constituency polls.

The Market Research Society is flexing its muscles and is on red alert to jump on any suspect pollsters. It has formed an advisory committee which will be making presentations to MPs and political journalists, showing them what polls can and cannot do. Market researchers are well aware that there are many in politics who want polling activities circumscribed. If the industry can enjoy—briefly—some national fame, it wants to ensure that the opportunity is exploited.

Yet at Brighton the speakers concentrated on the mundane aspects of research: the promotion of new measurement techniques, the marketing of new services, the case histories of successful assignments. There was an emphasis on the role of research in social issues —how the AIDS advertising campaign was built around interviews with likely, and less likely, sufferers and the problems of contacting those homosexuals with rubber fetishes; how the anti-heroin campaign affected attitudes.

There were also more specialist papers on the use of qualitative research in the development of advertising campaigns and how to reach older teenagers through television advertising. This year there were fewer abstruse, mathematical contributions, and more findings of relevance to the wider marketing world. In particular the studies of retailing in Belfast, and on the launch of The Independent newspaper, deserve a wider audience.

But the real significance of Brighton is the opportunity it provides for head-hunting, client nobbling, and pulse-taking in this expanding industry which is slowly following its big brothers, advertising and public relations, in appreciating the profits to be made from a marketing services industry these days.

The past year has seen a spate of takeovers and acquisitions in the industry. A. C. Nielsen has virtually sewn up the syndicated retail audit business by buying competitors Stats MR and Retail Audits; Unilever has sold its research company, Research International (which included Research Bureau and Marplan in the UK) to the Ogilvy Group; and Addison Communications has pioneered the move towards a company offering a whole range of marketing services by acquiring two research firms, Taylor Nelson and MAS.

In addition MORI has sold a minority slice of its share capital to 3i Group, and MIL has gone public. There are constant suggestions that Saatchi and Saatchi is about to buy a British research company, with the very biggest, AGB, the most tipped name despite account conflicts.

Research is suddenly of interest to money men partly because of its growth (up more than 60 per cent in real terms in the past five years) and partly because of its ability to expand out of its traditional activities of supplying research data to manufacturers of fast-moving consumer goods—which was 60 per cent of its turnover five years ago and only 39 per cent now—to new clients in the financial, media and public services area.

Since 1982 research revenue from the financial sector has grown from 2 per cent of the total to 6 per cent and that from media from 5 to 9 per cent. In contrast, research for the tobacco companies, the drink trade, and the Government has become less important. This, at least, is the experience of members of the Association of Market Survey Organisations, the big 30 companies which account for two-thirds of all UK research.

Users of research are starting to complain that there is a shortage of trained personnel. There is a feeling that overseas research is more expensive, but that it is more professional. Indeed, UK research companies are finding many opportunities for export assignments because of their relative cheapness. Research has always under-valued itself in the UK and been poor at training bright graduates.

Its future lies in dominating the international scene through the ingenuity of British researchers. It also lies in overcoming the confidence gap. Technological developments will make the gathering of data both easier and cheaper. Researchers must become more than number crunchers; they must be able to give clients advice as well as providing figures.

In short they must compete against management consultants. As controllers of information they are in a stronger position than the consultancy groups. So far they have failed to convince enough clients that the evaluation of information by researchers is worth the extra money that they currently pay management consultants.

China: full of advertising promise

IS CHINA the land of opportunity for marketeers or a teasing illusion? With its 1.2bn potential consumers and relatively recent "open door" trade policy, foreign companies are increasingly keen to find out.

In June (from 16 to 20) marketeers will have the chance to take a closer look and learn more about the commercial possibilities of this vast, idiosyncratic and complex nation when delegates from developing and developed nations meet at "Beijing '87," the third World Advertising Congress.*

The learning curve for companies keen to do business with China could be shortened if the event fulfils its promise.

The aims of the gathering are manifold: to encourage two-way trade, to enable the Chinese advertising industry to demonstrate how it can assist foreign exporters with the marketing of their products in China and to explain what expertise the Chinese are seeking in promoting their products overseas.

Nations from Thailand to Saudi Arabia, Hungary to India, will be taking part and swopping experiences with their European, Japanese and American counterparts. Delegates will be updated on marketing and communication techniques, including public relations, direct marketing and design, as well as advertising — and their application to developing countries will be explored.

The programme reads like an ecumenical Who's Who of marketeers, with, it is hoped, something for everyone. There will be general sessions and plenty of smaller workshops.

The event has the blessing of the Chinese premier Zhao Ziyang and is jointly promoted by the China National Advertising Association for Foreign Economic Relations and Trade, and "South," the third world magazine.

Delegates from many of the world's top multinational companies will be attending, including Unilever, Nestle, Philips, Coca-Cola, Pepsicola, Remy Martin, together with heavyweight advertising multinationals Ogilvy & Mather, Interpublic, Young & Rubicam, J. Walter Thompson, DFS Dorland. At present, 900 of the expected 1,500 have signed up.

The issues under review will include: the role of advertising in the developing economy when Unilever and Nestle will reveal their experiences in China; how airlines reflect their country of origin with a profile from a developed country (British Airways and Landor Associates, the international corporate communications consultancy) and a developing nation (Singapore Airlines); an examination of what's involved in setting up in China (Voest Alpine, the state-owned Austrian industrial conglomerate, AT & T, the US telecommunications group, and Volkswagen will speak from experience). One day will be devoted to Chinese presentations with workshops on how to trade with China, presentations on its media and a look at the capabilities China is looking for from foreigners. An overview of North American trade with China will be given by among others, speakers from Baker McKenzie, the US law firm with offices in Beijing, David Chang, special consultant to Nike, the sports equipment maker, and from the US consulate in Hong Kong.

McDonnell Douglas, the US aerospace group and Pepsico, the US soft drinks group, among others, will explore the business of joint ventures with China on day three followed by an advertising workshop run by the three pioneering foreign advertising agencies into China (Dentsu Young and Rubicam, Ogilvy and Mather and McCann Erickson). New product opportunities through innovation will be tackled by Michael Peters, the British design consultant, and public relations issues will bring together the world's largest companies, Burson Marsteller and Hill and Knowlton.

The conference will conclude with a debate on global branding, with opinions from Coca-Cola, Unilever, Nestle and others, which will be chaired by Barry Day, vice-chairman of McCann-Erickson worldwide, who is chairman of the programme planning committee.

Partners of delegates will be able to tour Tibet, the Yangtse River, the Great Wall, The Forbidden City and other tantalising Chinese attractions.

*Details: James Fleury, South Publications, Beijing '87, New Zealand House, Haymarket, London SW1 (Tel 01-839 4988).

Feona McEwan

Design Centre shop: how it aims to scupper a wave of criticism

BY FEONA McEWAN

WHEN Britain's much-criticised Design Centre unveils its revamped shop in London later this month, it will be hoping to scupper much of the criticism that has made it so newsworthy of late.

In the controversy over the role and performance of the government-supported Design Council, the shop (which is but one element of the organisation's promotional effort) has been variously dismissed as a "second-rate souvenir shop" and looking like "a duty free shop."

Critics have included Lord Snowdon, Sir Terence Conran, Joseph Ettedgui, high priest of style and the man behind the Joseph retail showplaces, and even Simon Hornby, chairman of W. H. Smith and of the Design Council itself. The general opinion of the shop from these and others in the design business, was one big missed opportunity.

The old identity crisis debate was dusted down. Should the shop be a rarefied oracle of taste, a catch-all gift shop or a heavyweight business and industrial showpiece, promoting the best of British products? Meantime, it continued peddling its sassy stationery and cruet sets, rather twee jewellery and home-spun pullovers to passers-by . . . and the tills kept ringing.

Even though the committed design set, shoppers and professionals alike, gave the Design Centre the cold shoulder, with the exception of the excellent bookshop, business was pretty brisk. The shop's turnover hit £1.75m a year and it ran at a profit.

Early signs of the new-look shop promise dramatic improvements—tighter merchandising selection, cohesive presentation and a stronger identity overall. It is a facelift, the council stresses, that has been planned for more than two years.

To begin with, retail designer David Davies (who numbers the Next chain, Valentino in Italy and the entrepreneurial Dutch global chain, Mexx, among his clients) worked with the centre to define product selection. "There's no point in getting the environment right," he says, "if the merchandise is wrong."

Only products that are British-designed, have won the Design Council seal of approval (which means they must pass a "user" test), and are portable, qualify for selection, so the shop has a limited source of stock. At the end of the day the shop can only be as exciting as British manufacturers make it.

The upshot of the reappraisal was a pruning of lines. The primary-coloured plastic washing up bowls, for example, novel 10 years ago but now in every department store, have been discarded. The emphasis will be less ephemera, more durables. Fewer soft toys and stationery and more hand-knit sweaters and leather luggage, which have long proved strong sellers.

Products will be displayed without their packaging, drawn together in thematic groups under broad banners like "Naturals" (for open weaves, terracotta etc) and "Brights," so there might be a tin-opener next to a wallet next to a vase, united by a common feel or look.

To give the shop a stronger identity and stress its particular selling proposition, there will be giant labels, explaining the product story, its designer, and maker, and why it was chosen.

The ultimate effect is a cross between a design gallery and a shop, according to Davies. Gone is the souvenir image—though insiders argue it went four years ago. In future the accent will be marginally more upmarket with higher value items. The coffee shop is being doubled in size and its takeaway trade cut out in order to concentrate on more profitable meals.

While Davies promises a more architectural feel to the place, the centre is determined not to be rarefied. "We're not there to appease designers," says Peter York, marketing services manager of the council, "but to service manufacturers and promote British products, and to test the commercial reality of the system of selection."

The centre is proud of its current average of 2,500 visitors a day — of whom 50 per cent are passers-by and 20 per cent go in for reasons of business or a mixture of business and pleasure.

COMMODITIES AND AGRICULTURE

Aluminium capacity 'will not meet demand'

By Nick Garnett

THE GROWTH in production capacity planned by aluminium producers from the end of the decade will be hopelessly inadequate to meet demand for the metal, says the latest aluminium annual review by Anthony Bird Associates.

The review predicts a significant increase in demand for aluminium through the 1990s, largely because the London-based consultant believes that general economic growth will accelerate.

Anthony Bird also points to three other factors that will push trends in this direction.

Firstly the review says the depressant effect on demand of substantial aluminium price rises in the 1970s has worn off. Also secondary aluminium's growth at the expense of primary aluminium appears to have halted. This is particularly noticeable in the US market where beer can recycling has now peaked.

"As a result, the underlying trend is now for primary aluminium use to grow at about the same rate as industrial production, or perhaps a shade faster," says the review.

Finally capacity has been cut substantially in the past few years and Anthony Bird predicts no change at all for the next three years. After 1990 it is only expected to grow by 0.5 per cent a year.

Aluminium-producing companies which are still retrenching have tended to dismiss projections suggesting possible capacity shortages.

However, Anthony Bird suggests that the gap between planned and needed capacity in non-Socialist countries by 1995 could be about 3m tonnes.

It also assumes though that this gap will indeed be closed by aluminium companies bringing in new capacity for which they have so far not planned, they will only do this if the aluminium price makes it worthwhile.

Aluminium Annual Review, Anthony Bird Associates; 193 Richmond Road, Kingston upon Thames, Surrey KT2 5DD. £595.

WEEKLY METALS

All prices as supplied by Metal Bulletin (last week's prices in brackets).

ANTIMONY: European free market, 99.6 per cent, $ per tonne, in warehouse, 2,320-2,350 (same).

BISMUTH: European free market, min 99.99 per cent, $ per lb, tonne lots in warehouse, 2.10-2.20 (2.10-2.25).

CADMIUM: European free market, min 99.95 per cent, $ per lb, in warehouse, ingots, 0.89-0.92 (0.88-0.91), sticks, 0.89-0.92 (0.88-0.91).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 6.00-6.20 (6.00-6.15).

MERCURY: European free market, min 99.99 per cent, $ per flask, in warehouse, 203-212 (205-215).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 3.07-3.10 (same).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.70-5.10 (4.50-5.00).

TUNGSTEN ORE: European free market, standard min 65 per cent, $ per tonne unit WO_3, cif, 49-54 (47-52).

VANADIUM: European Free market, min 98 per cent VO, other sources, $ per lb, V_2O_5, cif, 2.52-2.55 (same).

URANIUM: Nuexco exchange value, $ per lb U_3O_8, 16.75 (same).

Coffee hits five-year low as quota hopes diminish

BY STEFAN WAGSTYL

COFFEE prices fell yesterday in London to their lowest levels for five years, as investors gave up hope that export quotas might be imposed in the market before the autumn.

It became increasingly apparent yesterday that the International Coffee Organisation's executive board, which is meeting in London this week, was unlikely to discuss quotas. While some traders had never expected the issue to be debated, others had been more optimistic.

As a result, London prices tumbled yesterday following a late fall in New York on Tuesday, when prices dipped below $1 a pound for coffee for the first time since 1981 before recovering slightly. The second position in coffee on the London Commodity Exchange closed yesterday £38 down at £1,244 a tonne. On the New York futures market, coffee for May delivery was pushed below $1 a pound.

The coffee producing and consuming nations which make up the ICO are now not expected to resume efforts to reimpose export quotas until ICO's annual council meeting in September.

Quotas expired early last year after prices were driven above £3,000 a tonne on news that the 1985 Brazilian crop had been hit by drought.

The anticipated supply squeeze failed to materialise, however, and prices fell dramatically. The ICO met at the end of February to discuss the reimposition of quotas, but the talks failed when Brazil, the largest exporter, refused to consider any reduction in its 30 per cent or so guaranteed share of the quotas.

Importers led by the US want quotas to reflect more accurately the true demand pattern of the $10bn-a-year market.

Traders and investors are now trying to divine whether Brazil might make concessions in September. The current International Coffee Agreement runs until September 1989. Mr Bronwyn Curtis, an analyst with Landell Mills Commodities Studies, believes Brazil could compromise in order to save the agreement. "September will be the crunch-point."

US farmers to cut grain acreage

BY NANCY DUNNE IN WASHINGTON

US FARMERS, facing yet another year of low prices, are planning to cut the number of acres planted for grain in order to be eligible for production subsidies and other government benefits linked to land set-asides.

In a report issued after the close of markets on Tuesday, the US Department of Agriculture said that maize producers intend to plant 67.6m acres, a reduction of 12 per cent from last year. Land planted for soyabeans is estimated at about 57m acres, a 7 per cent decline from last year and the smallest planted acreage for that crop since 1976.

Winter wheat acreage, which has already been planted, was down about 11 per cent from last year at 48m acres. Although durum wheat acreage is expected to grow 5 per cent from last year to about 3m acres, other spring wheat plantings were estimated at 13.5m acres, down 11 per cent from 1986.

Other estimates of farmer planting intentions include the following: barley 11m acres, down 16 per cent from last year; oats 16m acres, up 7 per cent; cotton 10m acres, up 3 per cent; rice 2.3m acres, down 3 per cent; tobacco 608,000 acres, up 2 per cent; sorghum 11.8m acres, down 23 per cent.

Most of the wheat producing nations of the world are expected to cut wheat production this year. According to the US Wheat Associates, the EEC may be the outstanding exception to the trend, with a 1 or 2 per cent output increase.

The American Farm Group says US production is also being cut by a $2 per bushel bonus offered by USDA for farmers who enter their land into a 10-year conservation reserve.

Canadian wheat planting for 1987 will total about 13.2m hectares, a drop of over 1m hectares from last year, says the WA.

Australia is expected to seed less acres this year, and Brazil is reducing its production subsidies. Argentine acreage is expected to remain steady at 5.1m hectares, but declines in planting are also predicted for Mexico, Saudi Arabia and Chile.

The USDA reported that the value of US agriculture exports dropped 10 per cent in calendar 1986 to $26m, while the volume of shipments droppd 9 per cent.

The number of shipments is expected to rise for 1987, although the value may not be any greater as a result of the low prices. According to the WA, US wheat exports should reach at least 32.6m tonnes, as long as the government continues its programme of subsidising grain with bonuses from government stocks.

Lower soyabean estimate

ARGENTINA grain producers again reduced thteir estimates for the total yield of the 1986-1987 soyabean crop, which will begin to be harvested in mid-April, trade sources in Buenos Aires told Reuter.

They said growers now forecast soyabean production this season at between 7.5m and 7.8m tonnes against last week's estimate of 7.7m to 8m tonnes and the 8m to 8.4m tonnes forecast last month. The new forecast is, however, still higher than last season's total production.

Growers in the past week discovered more empty soyabean pods in the main producing areas of southern Cordoba and Santa Fe provinces.

Brazil seeks orange juice export boost

BY PATRICK KNIGHT IN SAO PAULO

BRAZIL's two largest orange juice crushers, Citrosuco Paulista and Sucocitrico Cutrale, are discussing with the Russian government a joint venture to process packaging and distribute orange juice imported from Brazil.

The plan envisages Brazilian juice being diluted and packed in a plant which could also process and upgrade Russian apple juice, which is at present of very low quality. The juices would be distributed through the European Soviet Union and other Eastern bloc countries where there is a strong demand for low-quality Cuban juice.

Exports will also be made to Scandanavian countries and elsewhere, the earnings from which would pay for the imports of orange juice. Eventually 40,000 tonnes could be processed a year.

Brazil expects earnings at least $900m (£560m) from exports of about 750,000 tonnes of juice this year compared with last year's $692m for a similar amount caused by prices falling to their lowest since 1980. The price has risen from the low of about $800 a tonne in October last year, to more than $1,200 now, mainly as the result of increased demand from Europe, encouraged by the fall of the dollar.

In 1986 Brazil exported 400,000 tonnes to the EEC after selling only 150,000 tonnes in 1985. Demand from the US remains buoyant.

This rise in price will go some way to reducing pressure from the Italian producers who have been asking for the present EEC duty of 19 per cent levied on Brazilian juice to be increased by a further 10 per cent to permit its own 12,000 tonnes production to compete. Brazilian producers had given serious thought to purchasing the entire Italian crop to prevent prices rising and demand falling. More dangerous than the small EEC production is the fear that Central American orange juice, exempt from the $492 per tonne tax imposed by the US on Brazilian juice will make an increased impact.

Brazil's 1986-87 harvest is expected to be of about 220m cases, below earlier estimates. Production will be down at least 10 per cent because of attacks by a new pest "Acro da Leprose" which takes two years to eradicate completely. Production could rise to 260m cases next year.

Internal consumption of orange juice, which doubled to 60m cases last year because of sharply increased purchasing power and the low external price, is expected to fall back again this year.

The carryover stock left when the 1987-88 harvest begins in June is anticipated to be of about 70,000 tonnes — one of the lowest ever. But the absence of frost in Florida this winter means that pressure on prices is not expected to rise above present levels.

Wall St creates a long hedge for oil

BY LUCY KELLAWAY

THE new product departments of the big Wall Street banks, tired of dreaming up ideas for the over-supplied financial markets, are turning their attention to oil.

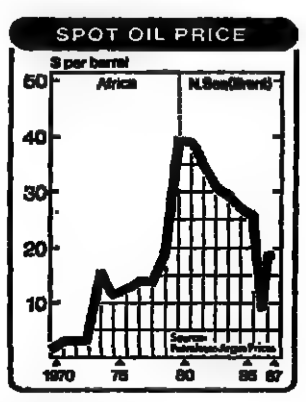
Chase Manhattan has started to market a new tool, designed to allow its clients to hedge against oil price movements for several years ahead. Many of its rivals are developing similar schemes.

At the moment, anyone wanting to insure against an oil price move in more than a few months' time has a problem. Although the New York Mercantile Exchange's increasingly popular crude futures contract extends for 18 months, nearly all of the business is in the early months, with relatively little liquidity in periods of five months or more.

Apart from making it possible to hedge further into the future, products now being developed by Chase and others claim several advantages over a typical futres contract. First, the deals can be individually put together to suit the needs of buyer and seller. Secondly, no margin is required, and thirdly they can allow companies to hedge a regular flow of oil requirements at one go, rather than deal with each in a separate transaction.

The idea is to match up an oil producer and an oil consumer both of whom want to lock in a fixed price over a certain period. Neither party need ever meet the other—all dealings are handled by the bank which stands in the middle and extracts a fee for its trouble.

The Chase deal works roughly like this: a company needs to buy a certain amount of oil each month, is worried that the price will rise, and in any case would like to eliminate the uncertainty of not knowing what its oil will cost over the next two years. The bank then finds a producer with the opposite view — anxious to protect against a fall in the oil price, and happy to accept a stable revenue flow over the period.



A fixed price for the oil is then agreed, and a settlement priod is chosen. At the end of each period, the actual oil price is compared to the agreed price. If the actual price is above the agreed price, then the producer will pay the difference to the consumer (who will presumably have already covered his needs in the market at the higher price), whereas if the price is lower, the consumer pays the difference to the producer. No oil changes hands.

Chase says that it has already completed three or four pilot deals, and is now ready to market the product in an organised way.

This, it admits, may not be easy. However, Mr Michael Hampton, who has worked on the product for the last year at Chase Investment Bank, is optimistic about the chance of it taking off. He compares his product to interest rate or currency "swaps," which about six years ago were looked on with distrust by finance directors, but have grown into a market worth hundreds of billions of dollars a year.

The real problem, Mr Hampton says, is finding enough willing counterparties. Many of the big oil consumers, like transport companies, utilities, chemicals groups, which should be keen to participate, look on such novel tools with distrust.

However, Chase reckons it can combat this caution by a steady educational campaign. "Our basic message is that it is time to start managing oil price risk rather than being managed by it," Mr Hampton says

He is not expecting a particularly rapid start. He recalls what happened when banks started trying to do interest rate swaps, when many companies simply took the view that as a change in interest rates affected everyone in the same way, there was no need to hedge against it.

So far the majors, at any rate, seem to be looking on with guarded interest. The head of the trading departments at one of the biggest oil companies said he would be quite happy to enter into such a scheme, and would welcome the development of an oil swap market.

However, he warned that long-term hedging deals in the past had failed because it was difficult to get both parties to agree on a mutually acceptable price — both generally expected the price to move in the same direction.

An oil broker warned that another obstacle could be the high costs, especially at first, of the structuring of the deals, which could mean prohibitively high premiums for both parties.

One big US bank, which claims to have come up with a similar scheme to Chase's about a year ago, says that it never managed to muster sufficient interest to get the project off the ground. Its scheme was structured round a loan from an oil producer to an oil consumer with an interest rate indexed to the oil price. The bank said the main difficulty was to find oil producers prepared to give away the chance of a rising oil price.

It warned that these hedging deals could only work in a market where there is a broad divergence of views as to what will happen to the oil price, which it said was not the case a year ago. This time, however, the market could be ready. And if so, oil will have become one step closer to being a currency or a commodity like gold.

LONDON MARKETS

THE RECENT extreme volatility of the London Metal Exchange copper market reached a new pitch yesterday with the cash position closing £22.50 down on the day at £927 a tonne and the cash premium over the three months position narrowing by £12.25 to £36.75 a tonne. One metals analyst said traders were "stunned" by the market's wild gyrations. "The spread (cash/three months differential) was all over the place," he said. But he did not think yesterday's market performance signalled the beginning of the end for the cash premium. "There is still fundamental supply tightness and this is being aggravated by fear of a technical squeeze based on options declarations expected from the end of this month," he explained. The price slide was triggered by heavy overnight selling in the New York market, where the May futures price was driven below an important support point at 64 cents a lb. This carried over onto the LME in the morning before prices were steadied by trade buying believed to be on behalf of producers.

LME prices supplied by Amalgamated Metal Trading.

ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	866-8	−2	884/861
3 months	813.5-4.5	+3.75	820/813

Official closing (am): Cash 861-2 (865-55): three months 819-20 (811-1.5): settlement 862 (865.5). Final Kerb Close: 813.5-4. Turnover: 16400 tonnes.

COPPER

Grade A	Unoffic'l close £ per tonne	+ or −	High/Low
Cash	926-8	−22.5	960/935
3 months	890-0.5	−9.25	890/885

Official closing (am): Cash 931-2 (945-6); three months 893-3.5 (900-1): settlement 932 (946). Final Kerb Close: 885.5-6.

Standard			
Cash	866-70	−7	870
3 months	867-70	−70	864

Official closing (am): Cash 869-70 (872.5); three months 862-4 (880-2); settlement 870 (875). US Producer prices 67.5/71.5 cents per pound. Total Turnover: 46600 tonnes.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	303-4	−6	307/305
3 months	298-9	−3.25	302/296

Official closing (am): Cash 304.75-5.5 (308.5-9); three months 299.5-300 (301.5-2); settlement 305.5 (309). Final Kerb Close: 298-8.5. Turnover 6900 tonnes. US Spot: 24/27 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	2350-5	−2.5	2340
3 months	2351-5	−3.75	2355/2348

Official closing (am): Cash 2330-5 (2330-1); three months 2348-9 (2355-6); settlement 2336 (2331). Final Kerb Close: 2362-5. Turnover: 396 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/Low
Cash	471-2	−3	471/468
3 months	468-9	−3.12	470/466.5

Official closing (am): Cash 469.5-70.5 (477-7.5); three months 466-6.5 (473-3.5); settlement 470.5 (477.5). Final Kerb Close: 466-9. Turnover: 3650 tonnes. US Prime Western: 38.5/44 cents per pound.

TIN

Kuala Lumpur Tin Market: Close 16.86 (16.61) ringgit per kg. Up 0.04 ringgit per kg.

GOLD

Gold showed little change on the London bullion market yesterday, falling $½ to $419-$419½. Trading was moderate, with most interest concentrated on silver. Gold opened at $417-$417½, the day's low, and was fixed at $418½ in the morning and $418¾ in the afternoon. It touched a peak of $419½-$420.

GOLD BULLION (fine ounce)		Mar. 31
Close	$419-419½	(£261-261½)
Opening	$417-417½	(£260¼-260¾)
M'n'g fix	$418.50	(£261.008)
Aft'n'n fix	$418.75	(£261.115)

GOLD AND PLATINUM COINS		
Am Eagle	$431-436	(£268½-271½)
Mapleleaf	$430-433	(£268-269½)
Kr'g'rnd	$424-427	(£264¼-266)
½ Krug	$220-221	(£137-137¾)
¼ Krug	$111½-112½	(£69½-70)
Angel	$428-431	(£266¾-268½)
1/10 Angel	$43-48	(£26¾-30)
New Sov	$99½-101½	(£62-62½)
Old Sov	$100-101½	(£62½-63¼)
$ 20 Eagle	$510-560	(£317½-349)
Noble Plat	$569-578	(£354½-360)

SILVER

Silver was fixed 3p an ounce lower for spot delivery in the London bullion market yesterday at 390.2p. US cent equivalents of the fixing levels were: Spot 625.6c, down 4.9c; three-month 635.95c, down 5c; six-month 646c, down 4.85c; and 12-month 665.9c, down 5.65c. The metal opened at 383¾-385p (615-617c) and closed at 389½-391p (625-627c).

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	390.20p	−3.00	388.5p	−3
3 months	399.60p	−3.15	398.5p	−3
6 months	408.70p	−3.15	—	
12 months	426.25p	−3.35	—	

LME—Turnover: 0 (1) lots of 10,000 oz.

FREIGHT FUTURES

The market edged higher on talk of a Gulf/Japan fixing at $16.50 and a North Pacific/Japan fixing at $11.00. Route 4 was also rumoured fixing higher than published on the BFI composite. These factors lead to renewed buying. Allied to the physical factors scale-down technical buying was also evident, leading to some moderate support at the lower levels, reports Clarkson Wolff.

	Close	High/Low	Prev.
	Dry Cargo		
April	1030/1032	1032/1013	1011/1015
July	875	875/840	843/844
Oct.	921	928/895	901
Jan.	920	920/900	890/892
Apr.	990/990	—	965
July	770	—	750
Oct.	890	—	930
Jan.	890	—	925
BFI.	995	—	991.5

Turnover: 304 (410).

INDICES

REUTERS

Apr. 1	Mar. 31	M'th ago	Year ago
1536.1	1540.8	1554.5	1841.6

(Base: September 18 1931=100)

DOW JONES

Dow Jones	Mar. 30	Mar. 27	M'th ago	Year ago
Spot	116.08	116.04	—	130.22
Fut	115.48	115.50	—	130.75

(Base: September 18 1931=100)

MAIN PRICE CHANGES

	Apr. 1 1987	+ or −	Month ago
METALS			
Aluminium			
Free Market	$1420/440	+25	$1448/488
Copper			
Cash Grade A	£927	−22.5	£911.5
3 mths	£890.25	−9.25	£907.25
Gold Troy oz	$419.25	−0.25	$406.25
Lead Cash	£303.5	−6.00	£310
3 mths	£298.5	−3.25	£302.25
Nickel			
Free Mkt	168.5/188c	−0.5	172/192c
Palladium oz	$128.65	−1.45	$119.25
Platinum oz	$553.50	−11.2	$529.25
Quicksilver†	$195/205		$200/210
Silver troy oz	390.20p	−3.56	349.60p
3 mths	399.60p	−3.15	358.75p
Tin			
Free Mkt	£4250/4390	+25	£4270/4390
Tungsten	£47.06		£44.51
Wolfram 22.04lb	$49/52		$40/46
Zinc	£471.5	−3.0	£473.5
3 mths	£468.5	+3.12	£465
producers	$796		$775/795
OILS			
Coconut (Phil)	$420y		$360
Palm Malayan	$330y		$305
Seeds			
Copra (Phil)	$270v		$260
Soyabean (U.S.)	$139		$137.5
GRAINS			
Barley Fut. Sept	£99.80	−0.15	£115.15
Maize	£142.75		£145.00
Wheat Fut. July	£125.40	+1.25	£118.10
No. 2 Hard Wint.	‡		‡
OTHERS			
Cocoa Ft. July	£1333.5	+7	£1304.5
Coffee Ft. July	£1244	−38	£1257
Cotton A Ind.*	62.85c		63.80c
Gas Oil May	$146.5	−2.5	$156
Rubber (kilo)	60.5p	+0.5	60.25p
Sugar (raw)	$170.5x	−3	$206
Wooltops 64s	488p kilo		488p kilo

‡ Unquoted. † Per 76-lb flask. c Cents a pound. * Cotton outlook. z March-April. x April-May. y May.

SOYABEAN MEAL

	Y'sterd'ys close	+ or −	Business done
	£ per tonne		
June	116.5-116.5	+1.75	116.0-115.8
August	111.5-112.0	+1.40	110.0
October	112.0-113.0	+2.00	—
Dec	114.6-115.0	+2.75	—
Feb	117.5-118.5	+0.50	—
April	117.5-118.5	+1.25	—

Sales: 184 (215) lots of 20 tonnes.

COFFEE

Against a dramatically lower New York close, London opened £63 below Tuesday night's close, reports Drexel Burnham Lambert. With the market breaching contract lows, stop-loss selling was evident along with fresh technical shorts. Price-fixing was easily absorbed and the market remained depressed for most of the day. With the market still locked in a major downtrend and physical offtake sparse, new buyers are still reluctant to participate.

COFFEE	Yesterday close	+ or −	Business Done
May	1237-1240	−38.0	1259-1230
July	1243-1245	−38.0	1250-1230
Sept	1255-1258	−48.5	1267-1251
Nov	1275-1288	−49.5	1295-1275
Jan	1306-1310	−47.0	1320-1306
Mar	1310-1330	−66.0	1340-1330
May	1300-1350	—	—

Sales: 4,477 (2,675) lots of 5 tonnes. ICO indicator prices (US cents per pound) for March 31: Comp. daily 1979 97.30 (98.86); 15-day average 100.11 (100.42).

COCOA

Opening at the levels due, £4 above the previous close, futures traded quietly thereafter and closed at the highs. No consumer interest was apparent on the physical side but producers again made light scale-up sales, reports Gill and Duffus.

	Yesterday's close	+ or −	Business done
	£ per tonne		
May	1303-1304	+4.0	1307-1301
July	1333-1334	+7.0	1334-1329
Sept	1353-1354	+5.5	1355-1346
Dec	1375-1378	+5.5	1381-1374
March	1401-1402	+2.5	1404-1399
May	1422-1423	+2.5	1425-1419
July	1442-1444	—	1445-1439

Sales: 3,406 (1,378) lots of 10 tonnes. ICCO indicator prices (SDRs per tonne). Daily price for March 31: 1,573.09 (1,574.39); 10-day average for April 1: 1,580.03 (1,582.50).

POTATOES

Following recent heavy falls the inevitable profit-taking caused a bounce in values with keen buying propping-up both old crop positions at £1.50-3.00 up during early trade. The market ran out of steam mid-morning and in thin conditions dropped back to test £155.00 in April but again found some support at that level to rally on the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Apr	157.70	157.50	159.90-155.00
May	177.60	179.00	180.50-174.50
Nov	94.80	93.80	95.50-95.00
Feb	104.00	102.80	—
Apr	134.70	129.50	135.50-128.00

Sales: 1,663 (1,073) lots of 40 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $170.50 (£106.50), down $3.00 (down £1.50) a tonne for April/May delivery. White sugar $190.00, down $3.50.

No. 6 Contract	Y'sterd'ys close	Previous close	Business done
	15.89 BST $ per tonne		
May	154.2-155.0	151.4-151.6	155.8-148.0
Aug	155.2-155.4	155.8-156.0	158.4-155.0
Oct	161.4-161.8	159.8-160.0	162.8-155.8
Dec	169.4-168.0	162.8-165.0	—
Mar	-176.0	165.8-169.8	167.2-164.4
May	169.8-176.0	170.8-172.8	—
Aug	172.6-175.2	174.2-176.8	171.10

Sales: 2,834 (1,668) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £210.50 (£212.50) a tonne for export.

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports). Prices for March 31: Daily price 6.52 (6.62); 15-day average 7.31 (7.41).

PARIS—(FFr per tonne): May 1142/1145, Aug 1164/1168, Oct 1190/1195, Dec 1216/1230, Mar 1245/1255, May 1277/1232.

US MARKETS

COFFEE WAS quiet until 45 minutes before the close when major hedge selling triggered commission house stops at 103c and 102c before support was found at the 100c level. Sugar remained technically weak and commission house selling dominated the market along with some fund and trade buying. Resistance remained at 6.90-7.00c with support around the 6.60-6.70c level. Silver lead the metals lower from the opening when trade house and commission houses and locals were sellers. Short-covering later in the day by locals rallied the market somewhat before it eased again during the afternoon. Copper traded quietely during the morning session. Fund selling became apparent during the afternoon, which brought the market lower and triggered major sell stops at the 62.50c level, basis May. Locals became sellers at this point, which weakened the market sharply on the close. Grains were quiet and easier across the board, reflecting a weaker cash market. Deliveries in cattle eased the future prices, whilst both the hog and pork bellies traded indifferently in advance of anticipated reports. Crude oil had a quiet day due to a major oil convention in Houston, Texas which kept the major players away from the market.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	Prev	High	Low
May	61.25	61.30	61.50	61.25
June	60.50	60.50		
July	59.50	59.70	60.00	59.50
Sept	57.70	57.80	—	—
Dec	57.15	56.95	—	—
Jan	57.15	56.95	—	—
March	57.15	56.95	—	—
May	57.15	56.95	—	—
July	57.15	56.95	—	—

COCOA 10 tonnes, $/tonnes

	Close	Prev	High	Low
May	1928	1924	1930	1911
July	1966	1949	1958	1940
Sept	1979	1975	1980	1970
Dec	2005	2004	2010	1998
March	2033	2032	—	—
May	2053	2052	—	—

COFFEE "C" 37,500 lb, cents/lb

	Close	Prev	High	Low
May	100.04	104.31	104.00	99.90
July	102.18	106.68	106.50	101.75
Sept	104.40	109.00	108.50	104.40
Dec	107.70	112.00	111.75	107.70
March	110.00	114.00	114.00	110.00
May	111.75	115.25	114.00	111.75
July	110.81	116.0		

COPPER 25,000 lb, cents/lb

	Close	Prev	High	Low
May	62.45	64.05	64.15	62.40
June	62.20	63.75		
July	62.00	63.40	63.50	61.80
Sept	62.15	63.45	63.70	62.00
Dec	62.35	63.60	63.90	62.30
Jan	62.50	63.80		
March	62.85	64.15	64.40	62.80
May	63.25	64.55	64.60	64.45
July	63.65	64.95		
Sept	64.05	65.35		

COTTON 50,000 lb, cents/lb

	Close	Prev	High	Low
May	57.08	57.40	57.75	56.75
July	55.55	56.20	56.50	55.60
Oct	55.05	55.90	55.55	55.20
Dec	54.80	55.41	55.61	54.70
March	55.70	56.35	55.80	55.35
May	56.22	56.80		
July	56.67	57.36		

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Close	Prev	High	Low
May	18.61	18.69	18.65	18.70
June	18.40	18.44	18.57	18.40
July	18.30	18.34	18.36	18.24
Aug	18.15	18.22	18.24	18.12
Sept	18.05	17.99	18.14	18.00
Oct	18.05	17.94	18.05	17.95
Dec	17.95	17.91	17.95	17.90
Jan	17.89	17.90	17.95	17.85
Feb	17.85	17.89	—	—

GOLD 100 troy oz, $/troy oz

	Close	Prev	High	Low
April	418.0	421.1	422.5	417.5
May	419.0	422.2	—	—
June	422.7	425.9	427.2	422.3
Aug	427.3	430.6	432.0	427.0
Oct	431.7	435.1	436.0	431.5
Dec	436.1	439.5	441.5	436.0
Feb	469.1	472.5	—	—
June	449.5	453.2	453.0	453.0

HEATING OIL 42,000 US gallons, cents/US gallons

	Close	Prev	High	Low
April	49.70	43.15	49.90	49.20
May	49.40	49.02	49.70	49.10
June	49.00	48.89	49.25	48.70
July	48.80	48.88	48.95	48.80
Aug	49.00	49.00	49.25	49.00
Sept	49.95	49.70	49.80	49.80
Nov	51.20	51.20	51.20	51.20

ORANGE JUICE 15,000 lb, cents/lb

	Close	Prev	High	Low
May	128.90	129.90	129.65	128.65
July	128.85	128.55	129.30	128.40
Sept	126.15	127.85	127.00	125.50
March	122.40	125.25	—	—
May	123.40	125.25	—	—

PLATINUM 50 troy oz, $/troy oz

	Close	Prev	High	Low
April	556.0	563.8	565.5	551.0
July	562.5	569.3	571.0	557.5
Oct	567.0	573.4	576.5	562.0
April	574.0	582.4	585.0	580.0

SILVER 5,000 troy oz, cents/troy oz

	Close	Prev	High	Low
May	622.0	632.5	639.0	620.0
June	625.6	636.2	—	—
July	629.1	639.8	646.5	627.0
Sept	636.2	647.1	654.0	635.0
Dec	646.6	657.9	667.0	645.0
Jan	650.2	661.6	661.0	661.0
March	657.0	668.5	678.0	658.0
May	664.4	676.0	674.5	670.0
July	672.1	683.7	684.0	671.0
Sept	679.5	691.4	691.0	677.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	Prev	High	Low
May	6.72	6.90	6.91	6.69
July	6.87	7.07	7.07	6.86
Sept	6.98	7.17	7.15	6.98
Oct	7.07	7.24	7.23	7.05
Jan	7.25	7.52	—	—
March	7.45	7.62	7.60	7.43
May	7.58	7.76	—	—
July	7.80	7.87	—	—

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	Prev	High	Low
April	67.47	67.80	67.50	67.10
June	63.42	63.35	63.47	62.85
Aug	59.40	59.47	59.42	59.20
Oct	58.65	58.82	58.82	58.50
Dec	58.72	58.95	58.90	58.60
Feb	58.30	58.60	58.60	58.30
April	59.65	60.00	59.70	59.56

LIVE HOGS 30,000 lb, cents/lbs

	Close	Prev	High	Low
April	47.52	47.13	47.80	46.95
June	47.82	47.45	47.95	47.07
July	46.80	46.32	46.72	45.85
August	43.85	43.60	44.00	43.30
Oct	39.55	39.47	39.85	39.30
Feb	38.97	38.90	39.25	38.75
April	36.92	36.86	37.00	36.80
June	38.95	[illegible]	—	38.95

MAIZE 5,000 bu min, cents/56 lb-bushel

	Close	Prev	High	Low
May	162.4	163.4	163.2	162.0
July	165.6	166.4	166.2	165.2
Sept	169.4	169.6	169.4	169.0
Dec	176.4	176.0	177.2	175.4
March	183.4	185.6	184.2	182.4
May	184.0	[illegible]	[illegible]	[illegible]
July	188.2	187.8	187.2	186.2

PORK BELLIES 38,000 lb, cents/lbs

	Close	Prev	High	Low
May	66.97	66.27	68.30	66.30
July	67.15	66.27	67.30	66.35
August	64.17	63.37	64.25	63.10
Feb	55.80	55.70	56.22	55.50
March	55.40	55.37	55.40	55.40

SOYABEANS 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
May	496.4	497.8	497.6	495.6
July	495.6	497.6	497.2	494.6
Aug	493.4	495.2	496.2	493.4
Sept	486.2	488.6	488.2	485.6
Nov	486.0	488.0	487.6	484.6
Jan	492.2	494.2	494.0	492.0
March	499.0	501.4	500.0	497.0
May	504.0	505.4	505.0	503.0
July	504.0	505.4	505.0	504.0

SOYABEAN MEAL 100 tons, $/ton

	Close	Prev	High	Low
May	143.1	143.1	143.2	142.3
July	142.2	142.4	142.4	141.5
Aug	142.2	142.4	142.2	141.5
Sept	141.8	142.0	141.8	141.3
Oct	141.0	141.4	141.2	140.8
Dec	141.8	142.4	142.3	141.5
Jan	142.5	143.0	142.7	142.5
March	143.7	144.7	144.0	143.7

SOYABEAN OIL 60,000 lb, cents/lb

	Close	Prev	High	Low
May	15.59	15.86	15.75	15.52
July	15.80	15.98	15.85	15.75
August	15.92	16.00	16.10	16.00
Sept	16.16	16.18	16.24	16.12
Oct	16.25	16.38	16.35	16.25
Dec	16.54	16.61	16.65	16.37
Jan	16.65	16.82	16.65	16.56

WHEAT 5,000 bu min, cents/60 lb-bushel

	Close	Prev	High	Low
May	284.4	286.4	285.2	284.0
July	266.0	270.0	268.2	267.2
Sept	270.0	272.0	270.2	268.0
Dec	276.0	276.4	276.4	274.0
March	275.4	276.0	276.0	274.0
May	271.4	271.4	271.4	269.4

SPOT PRICES—Chicago loose lard 134.50 (15.00) cents per pound. Handy and Harman silver bullion 630.5 (629.5) cents per troy ounce. New York tin 314-6 (same) cents per pound.

RUBBER

PHYSICALS — The market opened slightly steadier, attracted little interest at the higher levels and closed quiet and uncertain, reports Lewis and Peat. Closing prices (buyers): Spot 60.50p (60.00p); May 62.00p (61.50p); June 61.50p (61.00p). Kuala Lumpur fob prices. (Malaysian cents a kilo): RSS No 1 228.0 (229.0); SMR 20 198.0 (194.0).

FUTURES—Index 592, May 590-605, June 590-606, July/Sept 590-605. Sales: nil.

GRAINS

Old crop wheat again surged new highs, absorbing profit-taking, with shipper support neglecting international release figures. Old crop barley steadied on wheat/barley switching. New crops, after early support from shipper sources, found commission house selling to close on a downward trend, reports T. G. Roddick.

Mnth	WHEAT Yest'rdy's close	+ or −	BARLEY Yest'rdy's close	+ or −
	£ per tonne		£ per tonne	
May	122.90	+0.75	114.65	+0.50
July	126.40	+1.25	—	
Sep.	101.20	+0.55	99.90	−0.15
Nov.	103.30	—	102.35	−0.20
Jan.	106.10	+0.05	104.90	−0.05
Mar.	108.60	+0.05	107.25	−0.05
May	111.35	—	109.50	—

Business done—Wheat: May 123.40-2.40, July 125.45-4.50, Sept 101.35-1.25, Nov 103.50-3.45, Jan 106.25-6.10, Mar 108.85-8.70, May 111.50-1.35. Sales: 436 lots of 100 tonnes. Barley: May 114.65-4.50, Sept 100.00, Nov 102.60-2.50, Jan 105.5, Mar and May untraded. Sales: 71 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring No. 1 15 per cent April/May/June 96.50, July 97.75. US No. 2 soft red winter June 93.00, July 90.00, Aug 91.25. French 11½-12 per cent April 147.25. English feed fob April 122.00/123.00 buyer/seller, April/June 123.50, May/June 124.00 sellers, Sept 103.50/104.00 buyer/sellers, Oct/Dec 107.50 seller, Jan/March 110.75/111.25 buyer/sellers. Maize: US No. 3 yellow/French transhipment east coast March 142.75. Barley: English feed fob April 116.50/118.00 buyer/sellers, Aug 100.25/100.75 buyer/seller, Sept 102.75 seller, Oct/Dec 105.50/106.00 buyer/sellers, Jan/March 110.00 sellers.

HGCA—Locational ex-farm spot prices. Fed barley: E. Mids 115.80. The UK monetary coefficient for the week beginning Monday April 6 is expected to be unchanged.

OIL

Brent traded moderately, mostly in spreads between months with absolute prices weakening some 10c over the day. May WTI opened 8c down on Nymex and traded 15c down at 1.30 EST. The petroleum products markets showed a weakness on gas oil and a firmness on gasoline and fuel oil. Gas oil weakened on reduced buying interest. Buying interest in naphtha was sustained by demand for grades suitable for processing into gasoline—Petroleum Argus, London.

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—April		
Arab Light	—	—
Arab Heavy	—	—
Dubai	17.05-17.15*	−0.10
Brent Blend	18.30-18.40	−0.20
W.T.I. (1pm est)	18.65-18.75*	−0.15
Forcados (Nigeria)	—	—
Urals (cif NWE)	—	—
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	196-199	+0.5
Gas Oil	146-148	−2.5
Heavy fuel Oil	107-108	+6
Naphtha	171-173	+1

HEAVY FUEL OIL

Month	Yesterday close	+ or −	Business Done
	US $ per tonne		
Apr	104.00	+1.00	—
May	97.50	+0.50	97.00
June	93.50	—	—

Turnover: 2 (29) lots of 100 tonnes.

GAS OIL FUTURES

Month	Yestrdy's close	+ or −	Business Done
	US $ per tonne		
Apr	150.00	−2.25	149.75-47.75
May	146.50	−2.50	149.50-46.50
June	145.75	−2.50	148.50-45.50
July	146.25	−1.50	147.50-46.00
Aug	147.50	−2.25	149.00-47.50

Turnover: 2,164 (2,732) lots of 100 tonnes.

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 96.18p per kg lw (+0.63). GB—Sheep 246.10p per kg est dcw (+35.62). GB—Pigs 78.00p per kg lw (−0.64). GB—AAPP 100.24p per kg dw.

FUTURES—Pigs: April 100.10, Nov 100.50, sales 21.

FOREIGN EXCHANGES

Nervous dollar improves

THE DOLLAR rose in nervous foreign exchange trading, as dealers were generally unconvinced that the US currency would no slide again in the near future.

Japanese investment houses bought the dollar as the new financial year began, but there is believed to be an overhanging requirement to sell dollars forward to hedge currency risks on foreign bond holdings.

Japanese dealers were described as generally pessimistic about the prospects for dollar investments, and were expected to diversify into higher yielding currencies such as sterling, the Canadian dollar and the Australian dollar.

It was also pointed out that the major industrial nations, responsible for the February Paris currency agreement, are due to meet next Wednesday, ahead of a bathering of the International Monetary Fund.

The dollar is likely to suffer renewed downward pressure if this meeting fails to produce further measures o stabilise the market.

Steady intervention by the Bank of Japan in Tokyo also provided support for the dollar yesterday, and another factor was the overnight announcement that Citibank and Chase Manhattan Bank had raised their prime rates by ¼ per cent to 7 ¾ per cent.

The dollar rose to Y146.75 from Y146.00; to DM1.8205 from DM1.8065; to FFr 6.0575 from FFr 6.0125; and to SFr 1.5215 from SFr 1.5095.

On Bank of England figures the dollar's index rose to 101.8 from 101.4.

STERLING—Trading range against the dollar in 1987 is 1.6175 to 1.4710. March average 1.5928. Exchange rate index rose 0.2 to 71.6, compared with 68.9 six months ago.

Sterling was on the sidelines, holding steady against the dollar, and improving against other major currencies. Dealers adopted a wait and see attitude to political issues, including the timing of the general election, and although satisfied with the economic situation, did not expect an early cut in UK interest rates, because of nervousness about international events.

The dollar closed unchanged at $1.6045-1.6055, but rose to DM 2.9225 from DM 2.90; to FFr 9.7225 from FFr 9.65; to SFr 2.4425 from SFr 2.4225; and to Y235.50 from Y234.25.

D-MARK—Trading range against the dollar in 1987 is 1.9365 to 1.7870. March average 1.8255. Exchange rate index 147.0 against 141.0 six months ago.

The D-Mark weakened against the dollar in Frankfurt yesterday. The dollar's firmer tone was seen as a reaction to its recent sharp fall against the yen, and this pulled the US currency up against the D-Mark.

At the Frankfurt fixing the Bundesbank did not intervene when the dollar rose to DM 1.8188 from DM 1.8051. It closed at DM 1.8195 in Frankfurt compared with DM 1.8070 on Tuesday.

JAPANESE YEN—Trading range against the dollar in 1987 is 159.45 to 146.0. March average 151.41. Exchange rate index 217.5 against 216.5 six months ago.

The yen weakened against the dollar after large purchases of dollars by Japanese investment houses and life insurance companies.

Steady intervention by the Bank of Japan also pushed the US currency higher to a peak of Y147.50. It closed at Y146.90 in Tokyo, compared with Y145.65 on Tuesday.

Recent heavy intervention by the Bank of Japan was reflected in the rise of $6.66bn in Japan's external reserves last month, to a record $58.20bn.

£ IN NEW YORK

Apr 1	Latest	Previous Close
£ Spot	1.6020-1.6030	1.6045-1.6055
1 month	0.51-0.48 pm	0.48-0.45 pm
3 months	1.30-1.26 pm	1.28-1.23 pm
12 months	4.25-4.15 pm	4.10-4.00 pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

	Apr. 1	Previous
8.30 am	71.6	71.3
9.00 am	71.6	71.3
10.00 am	71.6	71.3
11.00 am	71.6	71.3
Noon	71.6	71.4
1.00 pm	71.6	71.4
2.00 pm	71.7	71.3
3.00 pm	71.7	71.4
4.00 pm	71.6	71.4

CURRENCY RATES

Apr. 1	Bank rate %	Special Drawing Rights *	European Currency Unit
Sterling	—	0.803016	0.712949
U.S. Dollar	5.5	1.28563	1.14154
Canadian $	7.54	1.67788	1.49118
Austrian Sch.	4	16.3044	14.5889
Belgian Franc	8	48.0647	42.9561
Danish Krone	7	8.76478	7.81726
Deutsche Mark	3.0	2.32069	2.07475
Neth. Guilder	4½	2.62011	2.34175
French Franc	9½	7.75704	6.90946
Italian Lira	12	N/A	1478.29
Japanese Yen	2½	187.448	167.384
Norway Krone	8	8.77057	7.81440
Spanish Peseta	—	163.326	145.668
Swedish Krona	7½	8.13418	7.24478
Swiss Franc	3.5	1.93616	1.73514
Greek Drach.	20½	170.618	152.490
Irish Punt	—	0.869580	0.775502

* SDR rates are for March 31.

CURRENCY MOVEMENTS

April 1	Bank of England Index	Morgan Guaranty Changes %*
Sterling	71.6	-22.5
U.S. Dollar	101.8	-6.0
Canadian Dollar	79.2	-8.9
Austrian Schilling	138.0	+10.4
Belgian Franc	100.2	-4.0
Danish Kroner	93.0	+1.0
Deutsche Mark	147.0	+22.1
Swiss Franc	171.5	+22.1
Guilder	134.6	+14.5
French Franc	71.8	-12.4
Lira	[illegible]	-16.7
Yen	217.5	+63.1

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100). *Morgan Guaranty rates for Mar 31.

OTHER CURRENCIES

Apr. 1	£	$
Argentina	[illegible]	1.5350-1.5410
Australia	[illegible]	1.4160-1.4170
Brazil	[illegible]	22.0940-22.1440
Finland	[illegible]	4.4540-4.4560
Greece	[illegible]	132.40-134.80
Hong Kong	[illegible]	7.8015-7.8035
Iran	[illegible]	71.10*
Korea (Sth)	[illegible]	845.50-850.30
Kuwait	[illegible]	0.27330-0.27350
Luxembourg	[illegible]	37.60-37.70
Malaysia	[illegible]	2.5090-2.5110
Mexico	[illegible]	1117.00-1128.00
N. Zealand	[illegible]	1.7535-1.7545
Saudi Ar.	[illegible]	3.7500-3.7510
Singapore	[illegible]	2.1375-2.1395
S. Af. (Cm)	[illegible]	2.0825-2.0865
S. Af. (Fn)	[illegible]	2.9195-3.0075
Taiwan	[illegible]	34.30
U.A.E.	[illegible]	3.6725-3.6735

*Selling rate.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu April 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	42.9561	+1.17	+0.84	±1.5344
Danish Krone	7.85212	7.81726	-0.44	-0.77	±1.6404
German D-Mark	2.05853	2.07475	+0.79	+0.46	±1.0981
French Franc	6.90403	6.90946	-0.01	-0.34	±1.3674
Dutch Guilder	2.31943	2.34175	+0.96	+0.63	±1.5012
Irish Punt	0.768411	0.775502	+0.92	+0.59	±1.6684
Italian Lira	1483.58	1478.29	-0.36	-0.36	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST THE POUND

Apr. 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.6000-1.6055	1.6045-1.6055	0.49-0.46 c pm	3.55	1.29-1.24 pm	3.15
Canada	2.0993-2.1023	2.0995-2.1005	0.57-0.47 c pm	2.97	1.50-1.38 pm	2.74
Neth'lands	3.28½-3.30	3.29-3.30	1⅝-1⅜ c pm	4.55	3⅝-3⅜ pm	4.32
Belgium	60.30-60.50	60.40-60.50	17-20 c dis	-2.68	44-34 dis	-2.58
Denmark	10.97¼-11.01½	11.00-11.01	Par-⅝ ore dis	-0.34	⅝-1½ dis	-0.41
Ireland	1.0885-1.0940	1.0915-1.0925	0.23-0.37 p dis	-3.30	0.65-1.00 dis	-3.02
W. Germany	2.91-2.92¾	2.91¾-2.92¾	1⅝-1½ pf pm	6.15	4⅛-4 pm	5.65
Portugal	223.07-226.12	225.20-226.10	43-128 c dis	-4.55	222-342 dis	-5.00
Spain	204.48-205.10	204.80-205.10	118-140 c dis	-7.55	325-366 dis	-6.74
Italy	2074½-2081½	2080¼-2081¼	2-par lire pm	0.58	2pm-2 dis	—
Norway	10.96-10.99¾	10.97¼-10.98¾	3⅝-4⅞ ore dis	-4.97	11⅛-12⅝ dis	-4.44
France	9.68¼-9.72¾	9.71¼-9.72¾	1⅝-1⅛ c pm	1.70	3⅛-2⅞ pm	1.36
Sweden	10.16¼-10.19½	10.18¼-10.19¼	⅛-⅝ ore dis	-0.44	1⅞-1⅜ dis	-0.56
Japan	235-236	235-236	1⅝-1⅛ y pm	6.37	3½-3⅜ pm	5.73
Austria	20.48-20.54	20.51-20.54	10½-9⅛ gro pm	5.74	27⅛-25⅛ pm	5.13
Switzerland	2.43¾-2.45¾	2.43¾-2.44¾	1⅝-1⅛ c pm	6.76	3⅝-3⅝ pm	6.14

Belgian rate is for convertible francs. Financial franc 60.55-60.65. Six-month forward dollar 2.29-2.24 c pm 12-month 4.17-4.07 c pm.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Apr. 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.6000-1.6055	1.6045-1.6055	0.49-0.46c pm	3.55	1.29-1.24pm	3.15
Ireland†	1.4670-1.4725	1.4670-1.4680	0.93-0.86c pm	7.31	2.28-2.08 pm	5.98
Canada	1.3045-1.3113	1.3085-1.3095	0.05-0.08c dis	-0.60	0.12-0.15c dis	-1.24
Netherlands	2.0485-2.0560	2.0535-2.0545	0.21-0.18c pm	1.14	0.64-0.59pm	1.20
Belgium	37.55-37.70	37.60-37.70	1-4c dis	-0.80	3-7 dis	-0.53
Denmark	6.84¼-6.87	6.85½-6.86	1.60-2.30ore dis	-3.41	5.20-5.90 dis	3.24
W. Germany	1.8145-1.8215	1.8200-1.8210	0.42-0.39pf pm	0.71	1.22-1.17 dis	0.70
Portugal	140¼-141	140½-141	70-120c dis	-8.11	250-320 dis	-8.11
Spain	127.54-127.91	127.65-127.75	115-125c dis	-11.27	310-330 dis	-10.02
Italy	1293-1298	1296¼-1296¾	3-3½lire dis	-3.01	9½-11dis	-3.16
Norway	6.83½-6.85¾	6.84-6.84½	4.15-4.65ore dis	-7.71	12.80-13.30dis	-7.63
France	6.03¾-6.06	6.05¾-6.06	0.85-1.00c dis	-1.83	2.50-2.80 dis	-1.75
Sweden	6.34-6.36	6.34¼-6.35	1.90-2.20ore dis	-3.88	5.90-6.30dis	-3.84
Japan	146.30-147.15	146.70-146.80	0.37-0.33y pm	2.86	1.02-0.97 pm	2.71
Austria	12.76¼-12.79¾	12.78¼-12.78¾	2.40-2.10gro pm	2.20	3.00-5.00 dis	2.08
Switzerland	1.5160-1.5225	1.5210-1.5220	0.45-0.40c pm	3.35	1.18-1.13 pm	3.04

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 37.70-37.80. Correction for Mar. 31 Japan close 145.95-146.05

EURO-CURRENCY INTEREST RATES

Apr. 1	Short term	7 Days' notice	One Month	Three Months	Six Months	One Year
Sterling	9⅝-10	10-10⅛	9¾-10	9⅝-9¾	9¾-9⅞	9⅝-9¾
U.S. Dollar	6⅛-6¼	6⅛-6¼	6⅛-6¼	6⅛-6¼	6⅜-6½	6⅜-6½
Can. Dollar	6⅞-7	6⅞-7	6⅞-7	6⅞-7	6⅞-7⅛	7⅛-7¼
D. Guilder	5⅛-5⅜	5⅛-5¼	5⅛-5¼	5⅛-5⅜	5⅛-5⅜	5⅛-5⅜
Sw. Franc	1-1⅛	1⅞-2⅛	3⅛-3⅜	3⅛-3⅜	3⅝-3⅞	3⅝-3⅞
Deutschmark	4-4⅛	3⅞-4⅛	3⅞-4	3⅞-4	3⅞-4	3⅞-4⅛
Fr. Franc	7⅛-7⅜	7⅞-8	8⅛-8⅜	8⅛-8⅜	8⅛-8⅜	8⅛-8⅜
Italian Lire	8-10	8⅞-9⅞	9⅛-9⅝	9⅛-9⅝	9-9⅝	10⅛-10⅝
B. Fr. (Fin.)	7-7⅛	7⅛-7½	7⅛-7½	7⅛-7½	7⅛-7½	7⅛-7½
B. Fr. (Con.)	7-7½	7-7½	7⅛-7⅝	7⅛-7⅝	7⅛-7⅝	7⅛-7⅝
Yen	3⅞-4⅛	4-4⅛	4-4⅛	4-4⅛	3⅞-4	3⅞-4
D. Krone	9⅞-10⅛	9⅞-10⅛	10-10⅛	10-10⅛	10-10⅛	10⅛-10⅜
Asian $ (Sing.)	3⅛-3⅜	N/A	3⅛-3⅜	3⅛-3⅜	3⅛-3⅜	3⅛-3⅜

Long-term Eurodollars: Two years 6⅞-7⅛ per cent; three years 7⅛-7½ per cent; four years 7⅛-7⅜ per cent; five years 7⅜-8⅛ per cent nominal. Short-term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Apr. 1	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.605	2.923	235.5	9.723	2.443	3.295	2081.	2.100	60.45
$	0.623	1.	1.821	146.8	6.058	1.522	2.054	1297.	1.308	37.65
DM	0.342	0.549	1.	80.58	3.327	0.836	1.127	712.0	0.719	20.68
YEN	4.246	6.815	12.41	1000.	41.28	10.37	13.99	8835.	8.917	256.7
F Fr.	1.029	1.651	3.006	242.2	10.	2.512	3.389	2140.	2.160	62.18
S Fr.	0.409	0.657	1.197	96.42	3.981	1.	1.349	851.9	0.860	24.75
H Fl.	0.303	0.487	0.887	71.47	2.951	0.741	1.	631.5	0.637	18.35
Lira	0.481	0.771	1.405	113.2	4.673	1.174	1.584	1000.	1.009	29.05
C $	0.476	0.764	1.392	112.1	4.630	1.163	1.569	990.8	1.	28.79
B Fr.	1.654	2.655	4.835	389.6	16.08	4.041	5.451	3442.	3.474	100.

Yen per 1,000: French Fr per 10: Lira per 1,000: Belgian Fr per 100.

FINANCIAL FUTURES

Confused trading

US TREASURY bond prices finished weaker in the London International Financial Futures Exchange yesterday. Trading was a little confused as two leading US banks increased their prime rates without any signal from the Federal authorities.

While the rise was seen as consistent with the recent increase in short-term money rates, it contrasted with a lower Federal funds rate. Many dealers were waiting for the Federal Reserve Board to give some sort of guidance and restore calm to the market.

US Treasury bills for June delivery opened at 97-13 down from 97-30 on Tuesday and rose to 97-23 before easing back to 97-12 by lunchtime. It closed at 97-23. The implications of higher cash rates should have had a bearish effect, but the market was relieved by the dollar's relative stability and recent efforts to avoid an escalation of trade differences between the US and Japan.

Long gilt prices finished on a weaker note. There was little obvious reason for the weaker trend, with the June price rising initially to a high of 120.00 before slipping to a low of 122.18. It closed at 122-30 down from 123.19 on Tuesday. The initial rally was not really very convincing and failed to create any sustained momentum. In addition there was a little uncertainty about the path of US interest rates following the recent rise in some prime rates.

It also did not auger well for domestic rates, with hopes of an early cut in UK clearing bank base rates all but vanished.

Three-month sterling deposits followed much the same pattern, opening at 90.87 for June delivery

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept	Puts—Last June	Puts—Last Sept
112	10.62	11.13	0.02	0.21
114	9.01	9.29	0.05	0.37
116	7.06	7.51	0.10	0.59
118	5.22	6.19	0.26	1.27
120	3.51	4.62	0.55	2.06
122	2.29	3.52	1.33	2.60
124	1.35	2.55	2.39	3.63
126	0.57	2.05	3.61	5.13

Estimated volume total, Calls 1,640 Puts 1,001
Previous day's open int: Calls 21,297 Puts 12,437

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls—Last June	Calls—Last Sept	Puts—Last June	Puts—Last Sept
92	5.52	5.26	0.06	0.48
94	4.02	3.62	0.20	1.20
96	2.33	2.50	0.51	2.08
98	1.24	1.55	1.42	3.13
100	0.42	1.11	2.60	4.33
102	0.17	0.45	4.35	6.03
104	0.06	0.25	6.24	7.47
106	0.02	0.13	8.20	9.35

Estimated volume total, Calls 25 Puts 270
Previous day's open int: Calls 228 Puts 269

LIFFE FT-SE 100 INDEX FUTURES OPTIONS

Strike Price	Calls-Last Apr	Calls-Last May	Puts-Last Apr	Puts-Last May
19250	9.87	11.14	0.62	1.89
19500	7.84	9.36	1.09	2.61
19750	6.01	7.74	1.76	3.49
20000	4.45	6.30	2.70	4.55
20250	3.20	5.05	3.95	5.80
20500	2.19	3.98	5.44	7.23
20750	1.44	3.08	7.19	8.83
21000	0.90	2.34	9.15	10.59

Estimated volume total, Calls 18 Puts 0
Previous day's open int: Calls 237 Puts 194

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls—Last Apr.	May	June	Sept.	Puts—Last Apr.	May	June	Sept.
1.30	—	—	30.25	30.25	—	—	0.00	0.01
1.35	—	—	25.25	25.25	—	—	0.00	0.04
1.40	20.25	20.25	20.25	20.25	0.00	0.00	0.00	0.17
1.45	15.25	15.25	15.25	15.25	0.00	0.00	0.04	0.54
1.50	10.25	10.25	10.25	10.25	0.00	0.04	0.28	1.38
1.55	5.25	5.25	5.36	6.15	0.00	0.46	1.16	2.95
1.60	0.94	1.81	2.43	3.59	0.84	2.19	3.25	5.39

Estimated volume total, Calls 8 Puts10
Previous day's open int, Calls 1,430, Puts 1,353

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last April	May	June	Sept.	Puts—Last April	May	June	Sept.
1.35	—	—	13.90	13.90	—	—	0.80	1.60
1.40	17.90	17.90	17.80	17.70	0.25	0.30	0.45	1.05
1.45	12.90	12.90	12.90	12.70	0.30	0.60	0.80	1.50
1.50	10.50	10.50	10.50	10.50	0.25	0.35	0.50	1.40
1.55	5.50	5.50	5.70	6.45	0.30	0.65	1.20	2.75
1.60	1.05	1.80	2.45	3.70	0.90	2.10	3.25	5.10
1.65	0.25	0.55	1.00	1.95	5.10	5.85	6.50	8.40

Previous day's open int: Calls 1,282 Puts 1,361
Volume: 42

PHILADELPHIA SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls—Last Apr.	May	June	Sept.	Puts—Last Apr.	May	June	Sept.
1.400	19.95	—	20.20	20.20	—	—	—	0.20
1.450	14.85	15.40	15.20	15.20	—	0.05	—	0.30
1.475	12.70	12.70	12.70	22.70	—	0.05	0.10	0.60
1.500	9.85	10.20	10.20	10.20	—	0.05	0.20	1.00
1.525	7.60	7.60	7.60	7.90	—	0.05	0.40	1.60
1.550	5.00	5.20	5.30	6.00	—	0.30	0.85	2.20
1.575	2.60	3.20	3.50	4.50	0.05	0.90	1.60	3.40

Previous day's open int: Calls 76,192 Puts 49,787
Previous day's volume, Calls 1,205 Puts 1,175

LIFFE—EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls—Last June	Sept.	Dec.	Mar.	Puts—Last June	Sept.	Dec.	Mar.
92.75	0.56	0.60	0.64	—	0.04	0.13	0.26	—
93.00	0.36	0.42	0.48	—	0.10	0.20	0.35	—
93.25	0.20	0.28	0.35	—	0.19	0.31	0.47	—
93.50	0.09	0.17	0.24	—	0.33	0.45	0.61	—
93.75	0.04	0.09	0.16	—	0.53	0.62	0.78	—
94.00	0.01	0.05	0.10	—	0.75	0.83	0.97	—
94.25	0.00	0.02	—	—	0.99	1.05	—	—

Previous day's open int: Calls 0, Puts 150
Estimated volume, Calls 215, Puts 705

LONDON

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
June	122-30	124-00	122-18	123-19
Sept.	122-28	122-25	122-25	123-17
Dec.	122-29	—	—	123-18
Dec.	—	—	—	—

Estimated volume 33,614 (43,705)
Previous day's open int. 23,394 (24,887)

10% NOTIONAL SHORT GILT
£100,000 64ths of 100%

	Close	High	Low	Prev.
March	[illegible]	[illegible]	[illegible]	[illegible]

Estimated Volume 0 (0)
Previous day's open int. 0 (0)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Estimated Volume [illegible]
Previous day's open int. [illegible]

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume [illegible]
Previous day's open int. [illegible]

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume [illegible]
Previous day's open int. [illegible]

U.S. TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
June	97-23	97-27	97-10	97-30
Sept.	96-21	—	—	96-28

Estimated Volume 6,996 (6,591)
Previous day's open int. 3,805 (3,119)

CURRENCY FUTURES

POUND—$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.6050	1.6003	1.5924	1.5824	1.5408

IMM—STERLING $s per £

	Latest	High	Low	Prev
June	1.5925	1.5945	1.5920	1.5955
Sept.	1.5830	1.5890	1.5815	1.5845
Dec.	1.5730	—	1.5720	1.5750
Mar.	—	—	—	1.5670

LIFFE—STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5920	1.5920	1.5910	1.5928
Sept.	1.5820	—	—	1.5818
Dec.	1.5720	—	—	1.5720

Estimated volume 3 (9)
Previous day's open int 208 (212)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
June	97-16	97-24	97-14	98-14
Sept.	96-14	96-22	96-12	97-14
Dec.	95-15	95-23	95-15	96-14
Mar.	—	—	—	95-16
June	—	—	—	94-19
Sept.	—	—	—	93-24
Dec.	92-03	92-11	92-03	92-30
Mar.	—	—	—	92-06

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]	[illegible]

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
June	0.6852	0.6857	0.6846	0.6893
Sept.	0.6895	0.6897	0.6893	0.6956
Dec.	0.6940	0.6940	0.6940	0.6980
Mar.	—	—	—	0.7026

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	0.5572
Sept.	[illegible]	[illegible]	[illegible]	0.5607
Dec.	[illegible]	[illegible]	[illegible]	0.5642
Mar.	[illegible]	[illegible]	[illegible]	0.5696

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	93.36
Sept.	[illegible]	[illegible]	[illegible]	93.33
Dec.	[illegible]	[illegible]	[illegible]	93.28
Mar.	[illegible]	[illegible]	[illegible]	93.16
June	[illegible]	[illegible]	[illegible]	92.97
Sept.	[illegible]	[illegible]	[illegible]	92.76
Dec.	[illegible]	[illegible]	[illegible]	92.54
Mar.	[illegible]	[illegible]	[illegible]	92.33

STANDARD & POORS 500 INDEX
500 times index

	Latest	High	Low	Prev.
June	[illegible]	[illegible]	[illegible]	[illegible]
Sept.	[illegible]	[illegible]	[illegible]	[illegible]
Dec.	[illegible]	[illegible]	[illegible]	[illegible]
Mar.	[illegible]	[illegible]	[illegible]	[illegible]

MONEY MARKETS

UK rates steady

INTEREST RATES were little changed in London yesterday. The pound showed a slightly firmer tendency but enthusiasm was tempered by a small rise in some US prime rates. Three-month interbank money was quoted at 9 11/16-9 9/16 per cent unchanged from Tuesday. Overnight money started at 10¼-10 per cent and touched a high of 10⅜ per cent before slipping away to 6 per cent. However late balances were taken up to 9 per cent

The Bank of England forecast a shortage of around £1,200m with factors affecting the market including bills maturing in official hands and the repayment of late assistance together with a take up of Treasury bills draining £1,788m an the unwinding of previous sale and repurchase agreements a further £526m. There was also a rise in the note circulation of £105m. These were lartly offset by Exchequer transactions which added £1,010m and banks' balances brought forward £185m above target.

UK clearing bank base lending rate 10 per cent since March 18-19

To help alleviate the shortage, the Bank offered an early round of assistance an ths comprised outright purchases of £689m of eligible bank bills; £347m in band 1 at 9⅞ per cent, £207m in band 2 at 9 13/16 per cent and £135m in band 3 at 9¾ per cent.

The forecast was revised to a shortage of around £1,300m before taking into account the early help and the Bank gave additional assistance in the morning of £86m through outright purchases of £35m of eligible bank bills in band 1 at 9⅞ per cent and £21m in band 2 at 9 13/16 per cent. In band 3 it bought £30m of eligible bank bills at 9¾ per cent.

The forecast was revised once again, this time to a shortage of around £1,250m and the Bank gave additional assistance in the afternoon of £532m through outright purchases of eligible bank bills; £106m in band 1 at 9⅞ per cent, £343m in band 2 at 9 13/16 per cent and £83m in band 3 at 9¾ per cent.

Total help came to £1,307m.

In Frankfurt call money fell to 3.90 per cent from 5 per cent on Tuesday as conditions eased with the passing of the month end. There was little prospect of much activity over the coming month, according to market sources, with a sale and repurhase facility due to expire next week expeced to be fully replaced. While pressure on the D-Mark has diminished, there seemed to be little prospect of an early cut in West German interest rates.

FT LONDON INTERBANK FIXING

(11.00 a.m. April 1) 3 months U.S. dollars		6 months U.S. dollars	
bid 6 5/16	offer 6 7/16	bid 6⅜	offer 6½

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	7½-7¾
Broker loan rate	7½-7¾
Fed. funds	6⅛
Fed funds at intervention	6 3/16

Treasury Bills and Bonds

One month	5.20	Three year	6.89
Two month	5.42	Four year	7.06
Three month	5.84	Five year	7.13
Six month	6.10	Seven year	7.40
One year	6.18	10 year	7.59
Two year	6.65	30 year	7.89

Apr. 1	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	3.85-3.95	3.85-3.95	3.85-4.00	3.85-4.00	3.90-4.05	5.0
Paris	7 13/16-7 15/16	7 13/16-7 15/16	7 13/16-7 15/16	7 13/16-7 15/16	7 13/16-7 15/16	7¾
Zurich	⅞-1⅛	3⅛-3⅜	—	3⅝-3⅞	—	—
Amsterdam	5⅛-5½	5⅜-5½	—	5⅜-5½	—	—
Tokyo	3.59375	3.84375	—	3.90625	—	—
Milan	10⅛-10⅜	10⅛-10⅜	—	10⅛-10⅜	—	—
Brussels	2.25	7 3/16-7 5/16	—	7 3/16-7 5/16	—	—
Dublin	14-14¼	13¾-14	13½-13¾	12⅞-13⅛	12-12¼	—

LONDON MONEY RATES

Apr. 1	Overnight	7 days notice	Month	Three Months	Six Months	One Year
Interbank	10¼-6	10 3/16-10	10 1/16-9 13/16	9 11/16-9 9/16	9 11/16-9 9/16	9⅝-9½
Sterling CDs	—	—	10 1/16-9 15/16	9 11/16-9 9/16	9⅝-9 9/16	9 11/16-9⅝
Local Authority Deposits	9⅞-9¼	9⅞	9⅞	9¾	9⅝-9 9/16	9⅝
Local Authority Bonds	—	—	10	9¾	9½	9 9/16
Discount M'ket Deposits	10-7	10	9⅞	9¾	—	—
Company Deposits	10¼-9½	10¼	10¼-10	10	9¾	9⅞
Finance House Deposits	—	—	9 13/16	9⅞	9¾	9 13/16
Treasury Bills (Buy)	—	—	9¾	9½	—	—
Bank Bills (Buy)	—	—	9 13/16	9 13/16	9⅝	—
Fine Trade Bills (Buy)	—	—	10 5/16	10 3/16	9⅞	—
Dollar CDs	—	—	6.50-6.45	6.50-6.45	6.50-6.45	6.50-6.45
SDR Linked Deposits	—	—	6 3/16-5 15/16	6 3/16-5 15/16	6 3/16-5 15/16	6¼-6
ECU Linked Deposits	—	—	7 3/16-7 1/16	7 3/16-7 1/16	7 3/16-7 1/16	7 3/16-7 1/16

Treasury Bills (sell); one-month 9⅝ per cent; three-months 9 9/16 per cent; Bank Bills (sell): one-month 9⅞ per cent; three months 9 11/16 per cent; Treasury Bills; Average tender rate of discount 9.3157 p.c. ECGD Fixed Finance Scheme IV reference date February 28 to March 31 (inclusive): 10.053 per cent. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 11 per cent from March 1, 1987: Bank Deposit Rates for sums at seven days' notice 5 per cent. Certificates of Tax Deposit (Series 6): Deposit £100,000 and over held under one month 8 per cent; one-three months 8 per cent; three-six months 8½ per cent; six-nine months 8½ per cent; nine-12 months 8½ per cent; Under £100,000 8 per cent from March 18. Deposits held under Series 5 10¼ per cent. Deposits withdrawn for cash 5 per cent.

WORLD MARKETS

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS Figures in parentheses show number of stocks per grouping	WEDNESDAY APRIL 1 1987 US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	DOLLAR INDEX 1986/87 High	1986/87 Low	Year ago
Australia (94)	123.37	+0.1	113.97	116.23	2.97	124.36	70.18	87.41
Austria (16)	92.03	-1.2	85.02	86.88	1.86	101.62	70.60	76.94
Belgium (47)	114.03	+0.1	105.34	106.16	4.37	118.92	53.75	74.24
Canada (132)	130.15	-0.3	120.23	123.37	2.26	134.35	86.58	97.25
Denmark (39)	112.91	-0.7	104.30	105.31	2.38	124.10	87.87	100.13
France (123)	118.28	-0.6	109.27	112.39	2.29	120.79	57.72	83.18
West Germany (90)	94.29	+2.1	87.10	89.24	2.10	100.33	74.48	84.18
Hong Kong (45)	106.96	-0.9	98.81	107.14	3.04	114.71	62.87	66.28
Ireland (14)	123.65	-2.8	114.23	118.72	3.61	131.44	62.33	83.19
Italy (76)	103.33	+0.8	95.45	100.05	1.56	108.30	46.07	81.52
Japan (458)	132.40	+1.2	122.31	122.82	0.53	133.11	49.46	70.83
Malaysia (36)	129.43	-1.4	119.56	125.12	2.85	135.38	66.67	75.24
Mexico (14)	151.87	-0.3	140.29	186.38	1.09	152.34	43.00	57.88
Netherland (38)	112.39	-1.3	103.82	105.36	4.24	113.93	74.14	83.00
New Zealand (27)	94.70	-2.6	87.48	88.15	3.07	100.59	47.37	61.95
Norway (25)	124.64	+0.2	115.14	115.75	2.11	127.09	90.02	100.99
Singapore (27)	116.87	-1.4	107.97	115.18	3.24	122.51	55.94	58.48
South Africa (61)	169.60	-2.5	156.67	109.85	3.70	175.51	69.06	100.51
Spain (43)	109.89	-1.3	101.51	106.31	3.86	121.31	45.00	76.39
Sweden (33)	112.49	-0.8	103.91	105.70	2.28	115.19	63.35	83.01
Switzerland (51)	97.71	-0.8	90.26	92.16	1.85	104.06	69.01	78.52
United Kingdom (342)	128.18	-1.1	118.41	118.41	3.58	133.88	75.39	98.66
USA (598)	120.10	+0.1	110.95	120.10	3.02	124.06	85.46	98.86
Europe (937)	113.50	-0.3	104.85	106.38	2.96	115.20	69.36	88.52
Pacific Basin (687)	131.06	+1.1	121.07	121.92	0.70	131.80	51.10	71.21
Euro—Pacific (1624)	124.06	+0.6	114.60	115.70	1.52	125.18	58.45	78.02
North America (730)	120.63	+0.1	111.44	120.29	2.97	124.60	85.61	98.78
World Ex. US (1831)	124.78	+0.5	115.27	115.99	1.58	125.90	60.02	78.93
World Ex. UK (2087)	122.46	+0.5	113.13	117.62	1.98	123.49	69.65	85.63
World Ex. So. Af. (2368)	122.66	+0.4	113.32	117.71	2.12	124.06	69.95	86.65
World Ex. Japan (1971)	118.47	-0.1	109.45	115.11	2.98	121.08	79.87	94.37
The World Index (2429)	122.96	+0.3	113.59	117.67	2.13	124.32	70.14	86.74

Base values: Dec 31, 1986 = 100

3.00 p.m. New York prices.

FT-A WORLD INDICES

Further constituent changes have been agreed by the FT-Actuaries World Index Panel in response to feedback from users and in order to build the US presence up to the target level.

The changes are:

DELETIONS

Abiti-Price	Canada
Allianz Lebens	Germany
Dahlbusch Ver	Germany
Grunzweig & Hartmann	Germany
Lowenbrau	Germany
Regulan	Germany
Schwab	Germany
Stollwerck	Germany
Thyssen	Germany
Hero Cons Lebens	Switzerland

ADDITIONS

King World Prod	US
Comcast Corp	US
Network Systems	US
General Instruments	US
Mentor Graphics	US
Cadnetix Corp	US
Autodesk	US
Digital Comm Ass	US
Sun Microsystems	US
Stratus Computer	US
Texas Air Corp	US
Aristech Chemical	US
Manor Care	US
Triangle Industry	US
Dorsey Corp	US
Noxell Group	US
General Nutrition	US

EUROPEAN OPTIONS EXCHANGE

Series		May 87 Vol.	May 87 Last	Aug 87 Vol.	Aug 87 Last	Nov 87 Vol.	Nov 87 Last	Stock
GOLD C	$360	14	62B	—	—	—	—	$419.30
GOLD C	$380	—	—	—	—	14	58.80	"
GOLD C	$420	75	11.50B	31	25	50	33	"
GOLD C	$440	206	5.70	22	15.50B	3	22B	"
GOLD C	$460	7	2.50	200	8B	200	15.50	"
[illegible]								

TOTAL VOLUME IN CONTRACTS: 42,387

A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

	%		%		%
ABN Bank	10	● Charterhouse Bank	10	● Morgan Grenfell	10
Adam & Company	10	Citibank NA	10	Mount Credit Corp. Ltd.	10
Allied Arab Bk Ltd	10	Citibank Savings	†12.45	Nat Bk. of Kuwait	10
Allied Dunbar & Co.	10	City Merchants Bank	10	National Girobank	10
[illegible]					

125 reasons for contacting

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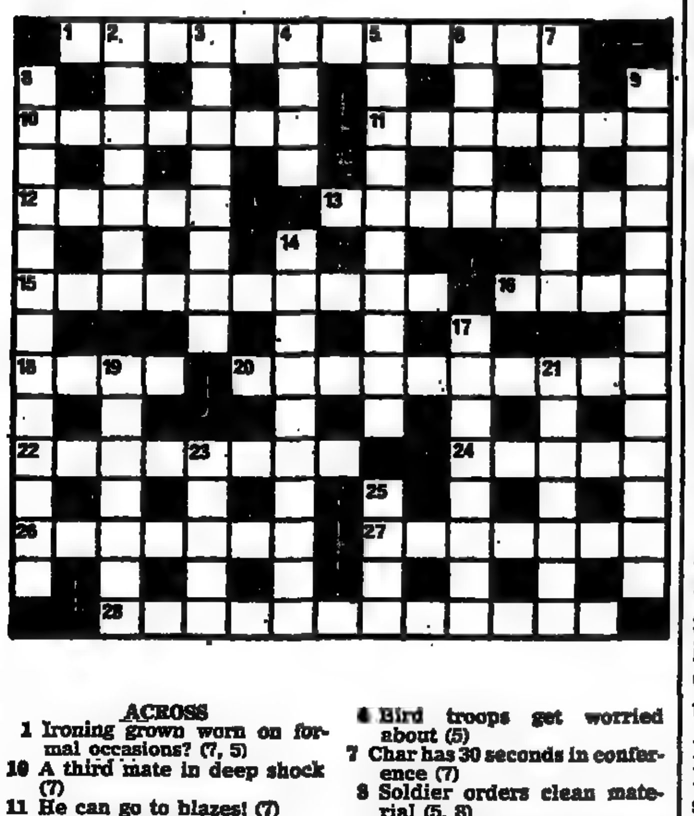
GECOMS G

FT CROSSWORD PUZZLE No. 6,293

GRIFFIN



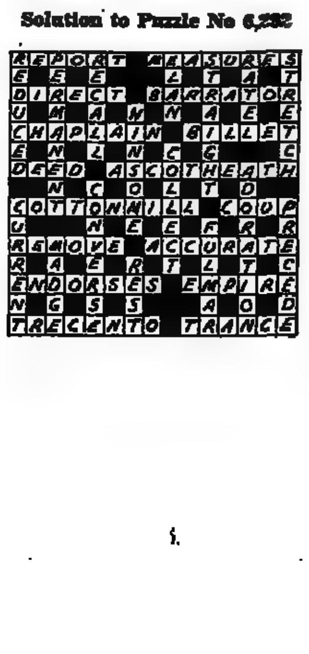
ACROSS

1 Ironing grown worn on formal occasions? (7, 5)
10 A third mate in deep shock (7)
11 He can go to blazes! (7)
12 Inquisitive American dropped rare object (5)
13 First hop round gap (8)
15 Thought I'd get Elizabeth in second round (10)
16 Forbidding George to take motorway back (4)
18 Odd parking at rear (4)
20 Actors step into audience (10)
22 People put jumpers over it (8)
24 Excuse to bail out Israeli leader (5)
26 Unbreakable articles mother brought in time (7)
27 Feeling Asian doctor will get into trouble (7)
28 Proved old-fashioned mentors wrong, admitted (12)

DOWN

2 Ex-serviceman put rotten tree in vehicle (7)
3 First person in counter-revolution to be hypersensitive (8)
4 Lacking personal cover? (4)
5 Shyness of eccentric effendi I'd caught entering (10)
6 Bird troops get worried about (5)
7 Char has 30 seconds in conference (7)
8 Soldier orders clean material (5, 8)
9 Pauses by Bury churches (13)
14 Paint alone, working from Naples (10)
17 Much-loved Italian? (8)
19 Of necessity a short way behind colour (7)
21 Opening with "Love, Eric" if possible (7)
23 Frighten a trainee member (5)
25 Exhausted cricketer embraces sweetheart (4)

Solution to Puzzle No 6,292



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

[illegible]

FT UNIT TRUST INFORMATION SERVICE

MGM Unit Managers Ltd
MGM House, Heene Rd, Worthing 01-623 8211

High Inc	273.5	290.9	+1.1	4.98
(Accum Units)	338.9	360.5	+1.4	4.98
UK Growth	332.6	353.8	-1.6	2.42
(Accum Units)	354.3	376.9	-1.7	2.42

MLA Unit Trust Management
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 674751

MLA Gen. Tst	39.6	41.9	-0.2	1.78
MLA Income Trust	54.2	57.6	+0.1	3.91
MLA Int.	61.1	64.7	-0.2	0.81
MLA Gilt Unit Tst	25.2	25.9	+0.1	10.08
MLA European Trust	35.0	37.0	+0.2	0.67
MLA American Tst	27.3	28.9	+0.3	0.86
MLA Emerging Mkts Tst	—	25.0	—	—

ManuLife Management Ltd
St George's Way, Stevenage 0438 356101

Gilt&Fxd Int	117.9	122.0	—	7.13
Growth Units	96.9	103.0	—	2.61
High Income Units	138.5	147.2	—	3.84
High Yielding Gilt Uts	60.6	62.7	—	8.09
Intl Growth Unit Tst	150.7	160.1	—	0.94
UK Smaller Cos	106.9	113.6	—	1.61
North American	82.1	87.2	—	0.42
Far East	121.9	129.5	—	0.82

Mayflower Management Co Ltd
No. 1 London Bridge, London, SE1 9QU 01-378 7000

Income March 30	310.5	330.3	—	9.38
General March 30	244.2	259.8	—	1.89
International March 30	153.6	163.3	—	0.65
Global Inc Fd March 30	49.6	52.8	—	5.15

Mencap Unit Trust Mngrs Ltd (a)(c)(g)
Unicorn Hse, 252 Romford Rd, E7 01-534 5544

Mencap	169.7	179.6	-0.6	4.08

Mercury Fund Managers Ltd
33 King William St, EC4R 9AS 01-280 2060

American Growth	104.4	111.1	-0.3	2.38
(Accum Units)	108.7	115.7	-0.3	2.38
American Sm Cos Ex Fd	49.5	50.7	+0.6	0.50
(Accum Units)	49.5	50.7	+0.6	0.50
American Income	50.3	53.6	-0.4	5.53
(Accum Units)	54.6	58.1	-0.4	5.53
European Growth	141.0	150.1	-2.7	0.73
(Accum Units)	146.0	155.4	-2.8	0.73
European Income	81.2	86.4	-1.8	3.44
(Accum Units)	83.6	89.0	-1.7	3.44
General	308.5	328.0	-0.6	2.01
(Accum Units)	507.2	539.6	-0.8	2.01
Gilt	89.7	91.1	+0.5	7.20
(Accum Units)	104.4	104.9	+0.6	7.20
Income	102.1	108.7	-2.9	3.78
(Accum Units)	116.4	123.9	-3.4	3.78
International	282.9	299.3	+2.2	1.48
(Accum Units)	352.6	372.8	+2.7	1.48
Japan	208.6	220.0	+3.5	0.97
(Accum Units)	214.1	227.7	+3.5	0.97

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

International Growth	307.8	328.6	+2.4	0.96
Income	327.8	342.9	-3.0	3.70
Worldwide Recovery	166.1	177.3	-0.5	1.61
American Growth	76.4	81.6	+1.0	0.87
Intl. Emerging Cos	95.1	101.6	+1.1	0.71
Far East Growth Fd	93.6	99.9	+0.2	0.77
European Growth Fd	64.5	68.9	-0.8	1.03

Prolific Unit Trust Managers Limited.
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Inc	59.8	63.7	+0.1	3.77
Prolific Conv & Gilt	114.7	122.1	-0.5	4.88
Prolific Euro Growth	90.9	94.2	-0.8	2.65
Prolific Extra Inc	114.5	122.2	-0.4	3.64
Prolific Far East	199.2	213.1	+0.1	—
Prolific High Inc	78.6	84.1	-0.4	3.33
Prolific Intl	141.6	150.7	-1.1	3.27
Prolific N. Amer	136.7	147.3	+0.7	—
Prolific Spec. Sits	95.6	100.2	-0.6	0.90
Prolific Technology	138.8	148.9	-0.4	—

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc	92.4	98.3	+1.9	0.00
Japan Acc	92.6	98.5	+1.9	0.00
Worldwide Inc	77.8	82.4	-0.5	1.08
Worldwide Acc	79.1	83.8	-0.5	1.08
European Tst Inc	94.0	99.9	-1.3	0.35
European Tst Acc	94.6	100.2	-1.3	0.35
North American Inc	66.4	70.7	+0.9	1.20
North American Acc	67.5	71.7	+1.0	1.20
UK Equity Inc	79.9	85.1	-0.4	2.91
UK Equity Acc	83.9	88.9	-0.4	1.91
UK High Inc Eqty Inc	58.2	62.0	—	4.92
UK High Inc Eqty Acc	59.4	63.2	—	4.91
Hong Kong Trust	45.9	48.2	-0.4	1.91
Swiss Equities Trust	45.5	48.3	-0.4	2.92

Provident Mutual Unit Trust Managers Ltd.
25-31 Moorgate, London, EC2R 6BA. 01-588 3963

PM Equity Growth	94.0	100.1	-0.3	0.72
PM Income and Growth	84.6	90.1	-0.1	3.52
PM N American Growth	54.3	57.7	+0.5	0.94
PM European Growth	48.6	51.7	-0.5	0.61
PM Japan Growth	59.9	63.7	+0.6	0.43
PM Overseas Growth	52.4	55.7	+0.3	0.45

Prudential Unit Trust Mngrs Ltd (a)(b)(c)
51-59 Ilford Hill, Ilford, Essex IG1 2DL 01-478 3377

Holborn Comm Tst	66.5	70.7	-0.2	0.65
Holborn Equity Income	60.9	64.4	-0.5	4.00
Holborn Equity Tst	497.3	526.3	-3.8	2.57
Holborn European Tst	113.7	120.3	-1.3	0.69
Holborn Gilt Tst	196.0	200.4	+3.9	2.39
Holborn High Inc Tst	76.0	80.4	-0.2	5.37
Holborn Intl Grth Tst	112.7	119.2	+0.2	0.73
Holborn Japanese Tst	114.5	121.1	+1.5	0.05
Holborn N. Amer. Tst	89.8	95.0	+0.7	0.51
Holborn Sm Cos Tst	63.4	67.8	-0.5	1.74
Holborn Spec Sits Tst	81.5	86.2	-0.7	1.69
Holborn UK Growth Tst	97.8	103.4	-0.4	1.81

Quilter Management Co Ltd
31-45 Gresham Street, London EC2 01-600 4177

Scottish Widows' Fund Management
PO Box 902, Edinburgh EH16 5BU 031-668 3724

Peg Eq Acc	333.1	354.5	(z)	2.87
Peg Eq Inc	282.9	301.1	(z)	2.87
Peg High Inc Acc	149.8	159.4	(z)	4.92
Peg High Inc	142.9	152.1	(z)	4.92
Peg Europe Acc	154.7	164.7	(z)	1.22
Peg Europe Inc	153.5	163.4	(z)	1.22
Peg N. Amer	110.6	117.7	(z)	1.31
Peg N. Amer Inc	109.8	116.9	(z)	1.31
Peg Pacific Acc	205.8	219.0	(z)	—
Peg Global Acc	140.0	149.0	(z)	1.49
Peg Global Inc	138.7	147.6	(z)	1.49

Sentinel Funds Mngmt Ltd
30 City Road, London EC1Y 2AY 01-638 6011
Dealing: 01-628 6626

American Majors	75.4	80.4	-0.2	0.51
Amer Tech & Genl Fd	126.2	133.9	-0.5	0.0
European Growth	43.0	45.9	-0.9	0.32
European Income	56.7	60.4	-1.3	2.5
Exempt	269.9	804.8	-3.9	0.00
Intl Growth Fd	51.4	54.7	-0.1	0.00
International Income	64.4	68.6	-1.0	3.6
Jap Tech & Genl	120.0	128.0	—	0.00
Pacific Fund	232.9	248.0	-3.8	0.00
Secure Income Fd	212.7	226.5	-2.2	4.15
Small Co's Fd	56.9	60.7	-0.5	—
Special Sits	300.9	320.5	-2.1	1.81
UK Exempt Fund	45.5	48.4	-1.4	1.81

Smith & Williamson Unit Trust Mngrs
1 Riding House St, London W1A 3AS. 01-637 5377

S & W American	164.8	174.2	-3.5	0.28
S & W Smaller Secs	213.0	225.4	-1.8	0.01

Standard Life Trust Mgmt. Ltd
3 George St, Edinburgh EH2 2XZ 0800 393777

Managed Trust Acc	28.7	30.5	—	1.86
UK Equity Gth Tst Acc	31.5	33.5	-0.1	2.27
UK Equity High Inc Acc	30.2	32.1	-0.1	3.50
UK Equity Gen Tst Acc	34.0	36.2	-0.2	2.38
UK Equity Gen Tst Inc	30.1	32.0	-0.1	2.38
Gilt & Fxd Int Tst Inc	26.1	27.5	-0.2	7.11
Nth Amer Tst Acc	29.1	31.0	+0.2	1.22
Far East Tst Acc	38.2	40.6	+1.0	0.00
European Trust Acc	28.7	30.5	—	0.99

Stewart Ivory Unit Trust Mngrs Ltd (a)
45 Charlotte Sq, Edinburgh 031-226 3271

Waverley Asset Management Ltd (a) (c) (g)
13 Charlotte Sq, Edinburgh 031-225 1551

Australasian Gold	45.5	48.4	—	0.15
Pacific Basin	24.5	26.0	—	1.78
Canadian Balncd Grwth	65.8	70.0	—	0.00
Gemis Mac	104.4	108.7	—	8.00

Wellington Fund Mngrs Ltd
145, Borough High St., London SE1 1NV 01-628 6011

Wellington Inc	92.8	98.7	—	4.07
Wellington Growth	191.1	203.3	—	1.30

WestAvon Unit Trust Managers Ltd(a)(c)
9 Portland Square, Bristol BS2 8SS 0272 428451

British Smllr Co's	84.7	90.0	—	1.1
British Growth	92.1	97.9	—	1.6
British Income	80.4	86.1	—	4.0
British Extra Yield	57.7	61.3	—	6.9

Whittingdale Unit Trust Managers
2 Honey Lane, London EC2V 8BT 01-606 9085/6

Challenger Fund	51.0	51.2	-0.4	2.00
Short Dtd Gilt Fd	72.2	73.3	-0.3	—
U.S. Govmnt Bond Fd	0.521	0.524	—	—

Windsor Trust Mngrs Ltd
83 Kingsway, London, WC2B 6SD 01-405 8331

Capital & Equity Tst	62.9	67.0	-0.2	5.83
Growth Trust	73.3	78.0	-0.3	1.55
Income Trust	72.0	76.7	-0.1	3.76

Wright Seligman Fund Managers Ltd
11 Blomfield St, London EC2M 7AY 01-588 0992

Growth Fund	84.5	87.5	—	2.40

Weekly dealing day Tuesday

The Yorkshire General Trust
Woodsome Pk, Fenay Bdge, Huddersfield 0484 602250

Y.G.T.	168.6	179.4	-0.3	2.34

INSURANCES

AA Friendly Society
(Investment Mngt M & G Inv Mngt Ltd)
PO Box 93 Cardiff CF1 4NW 0222 35542

AA Friendly Sy Jan 13	—	135.9	—

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

FT UNIT TRUST INFORMATION SERVICE

M & G Group—Contd.

Pensions Funds

American (Cap)	327.7	344.2	+3.1	—
American (Acc)	455.2	478.0	+4.3	—
Building Soc (Cap)	73.7	90.4	—	—
Building Soc (Acc)	130.1	136.7	—	—
Deposit (Cap)	153.8	161.6	—	—
Deposit (Acc)	213.7	224.5	+0.1	—
European (Cap)	140.2	147.3	+0.6	—
European (Acc)	194.7	204.5	+0.8	—
Equity (Cap)	397.1	417.0	−3.7	—
Equity (Acc)	551.7	578.8	−5.2	—
Gilt (Cap)	243.6	255.9	+2.8	—
Gilt (Acc)	338.5	355.5	+4.0	—
Gold (Cap)	106.3	111.7	−0.1	—
Gold (Acc)	147.6	155.1	−0.2	—
Index-Linked (Cap)	96.4	101.4	+0.4	—
Index-Lnkd Gilt (Acc)	134.0	140.7	+0.5	—
International (Cap)	109.6	115.1	−0.1	—
International (Acc)	152.2	159.9	−0.1	—
Intl Inc (Cap)	107.4	112.9	+0.5	—
Intl Inc (Acc)	149.2	156.8	+0.7	—
Japan (Cap)	130.6	137.2	+0.4	—
Japan (Acc)	180.4	190.6	+0.5	—
Managed (Cap)	307.2	322.7	−0.3	—
Managed (Acc)	426.7	448.2	−0.5	—
PPP Fund (Cap)	290.8	305.4	−4.5	—
PPP Fund (Acc)	404.0	424.3	−6.1	—
Pacific (Cap)	253.2	265.9	+0.7	—
Pacific (Acc)	351.7	369.0	+0.9	—
Property (Cap)	132.2	138.9	—	—
Property (Acc)	183.7	192.9	—	—
Recovery (Cap)	138.2	147.7	−2.4	—
Recovery (Acc)	261.5	274.6	−3.3	—
UK Income (Cap)	108.9	114.4	−1.3	—
UK Income (Acc)	151.2	158.8	−1.9	—
Personal Pension (Acc)	1619.1		−23.9	—

MGM Assurance

MGM House, Heene Rd, Worthing 0903 204631

UK Equity	211.7	222.9	−0.3	—
Do. Accum	236.2	248.7	−0.4	—
Special Situations	188.1	198.1	−1.1	—
Do. Accum	209.7	220.8	−1.3	—
North American	182.6	192.3	+1.9	—
Do. Accum	203.8	214.6	+1.5	—
Pacific Basin	307.4	323.6	+3.5	—
Do. Accum	342.7	360.8	+3.8	—
Fixed Interest	211.7	222.9	+0.3	—
Do. Accum	236.2	248.7	+0.3	—
Property	117.0	123.2	—	—
Do. Accum	130.8	137.7	—	—
Deposit	112.1	118.1	—	—
Do. Accum	125.1	131.7	+0.1	—
Managed	202.2	212.9	+0.2	—
Do. Accum	227.6	239.6	+0.1	—

National Mutual Life

5 Bow Churchyard, London EC4M 9DH 01-236 1566

Managed Fund	189.7	199.7	—	—
Managed Pension Fund	145.8	159.5	—	—
UK Equity Fd	223.5	235.3	—	—
Fixed Interest	148.6	156.5	—	—
Pacific	184.8	194.6	—	—
North American	118.1	124.4	—	—
Pens. Managed	223.8	235.6	—	—
Pens. UK Equity	267.2	281.3	—	—
Pens. Overseas Equity	302.9	318.9	—	—
Pens. Property	116.8	123.0	—	—
Pens. Fixed Interest	159.9	168.4	—	—
Pens. Index Linked	123.6	130.5	—	—
Pens. Deposit	141.9	149.4	—	—
P.R.P. UK Equity	115.5	121.6	—	—
P.R.P. Overseas Equity	107.1	112.8	—	—
P.R.P. Fixed Interest	108.3	113.8	—	—
P.R.P. Property	96.0	101.1	—	—
P.R.P. Index Linked	111.0	116.9	—	—
P.R.P. Deposit	97.3	102.5	—	—
P.R.P. Managed	111.5	117.4	—	—
P.R.P. With Profits	97.4	102.6	—	—

National Mutual of Australasia

Serpentine Rd, Poole, Dorset 0202 680666

Fixed Interest	134.29	141.36	—	—
Guaranteed Deposit	117.26	123.43	—	—
International	169.47	178.39	—	—
Managed	146.34	154.04	—	—
Property	129.83	136.66	—	—
UK Equities	182.55	192.16	—	—
Pens Fixed Interest	126.05	132.71	—	—
Pens Grtd Deposit	117.46	123.65	—	—
Pens International	184.62	194.33	—	—
Pens Managed	157.79	166.09	—	—
Pens Property	141.90	149.36	—	—
Pens UK Equities	161.13	169.60	—	—

National Provident Institution

48 Gracechurch St, London EC3P 3HH 01-623 4200

Managed	284.6	299.6	−0.6	—
UK Equity	359.2	378.2	−2.5	—
Overseas Eq.	284.8	299.8	−1.0	—
American	241.6	254.4	+1.4	—
Far East	319.1	335.9	+3.2	—
Property	133.7	140.8	−0.1	—
Fixed Int.	206.5	217.4	+1.1	—
Indexed Gilt	121.1	127.5	+0.2	—
Deposit	131.9	138.9	—	—

Pension Fund Prices

Man. Initial	299.1	314.9	−0.8	—
Man Acc.	358.7	377.6	−1.0	—
UK Eq. Initial	361.9	381.0	−3.5	—
UK Eq.	423.7	446.0	−3.8	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OFFSHORE AND OVERSEAS

MANAGEMENT SERVICES

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

BRITISH FUNDS

1986/87 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
100[illegible]	95[illegible]	Funding 6½pc 85-87	99[illegible]xd	.....	6.52	9.72
101[illegible]	96[illegible]	Treas. 10pc 1987	100	.....	10.00	9.77
98[illegible]	90[illegible]	Treas 3pc 1987	98[illegible]	.....	3.04	7.29
104[illegible]	99[illegible]	Treas. 12pc 1987	101[illegible]	[illegible]	11.82	9.27
99½	92[illegible]	Treas 7¼pc 1985-88‡‡	99[illegible]	.....	7.82	8.86
104	96[illegible]	Exch 10½pc '88	101[illegible]	.....	10.37	9.31
102[illegible]	95[illegible]	Treas 9¾pc Cv '88	100[illegible]	.....	9.71	9.32
95[illegible]	86[illegible]	Transport 3pc '78-88	95[illegible]	.....	3.14	6.76
102[illegible]	93[illegible]	Treas. 9½pc '88	100[illegible]	[illegible]	9.48	9.31
107[illegible]	98[illegible]	Treas 11½pc 1989	103[illegible]	[illegible]	11.08	9.27
103[illegible]	93[illegible]	Treas 9½pc Cnv 1989	100[illegible]	[illegible]	9.47	9.29
93[illegible]	82[illegible]	Treas 3pc 1989	92[illegible]	[illegible]	3.25	6.89
105[illegible]	95[illegible]	Treas 10½pc 1989	102[illegible]	[illegible]	10.26	9.29
104[illegible]	94[illegible]	Exch 10pc 1989	101[illegible]	[illegible]	9.85	9.26
107[illegible]	97	Exch 11pc 1989	103[illegible]	[illegible]	10.59	9.21
94[illegible]	84[illegible]	Treas 5pc 1986-89	93[illegible]	[illegible]	5.36	7.91
110[illegible]	94[illegible]	Exch 10½pcCv '89	104[illegible]	[illegible]	9.83	8.37
114[illegible]	103[illegible]	Treas 13pc 1990‡‡	109[illegible]	[illegible]	11.82	8.87
108[illegible]	97[illegible]	Exch 11pc 1990‡‡	104[illegible]	[illegible]	10.46	8.93
113[illegible]	101[illegible]	Exch. 12½pc 1990	108[illegible]	[illegible]	11.45	8.91
89[illegible]	79[illegible]	Treas. 3pc 1990	89[illegible]	[illegible]	3.34	6.70
100[illegible]	89[illegible]	Treas 8¼pc 1987-90‡‡	96[illegible]	[illegible]	8.55	8.60
106[illegible]	93	Treas. 10pcCv 1990	102[illegible]	[illegible]	9.70	8.97
87[illegible]	76[illegible]	Exch 2½pc 1990	86[illegible]	[illegible]	2.87	6.55
112[illegible]	99[illegible]	Treas 11¾pc 1991	108[illegible]	[illegible]	10.82	9.02
94[illegible]	83[illegible]	Funding 5¾pc '87-91‡‡	93[illegible]	.....	6.15	7.63
86[illegible]	79[illegible]	Treas. 3pc 1991	86[illegible]	[illegible]	3.46	6.71
109[illegible]	95[illegible]	Treas 10pc Cv '91	105[illegible]	[illegible]	10.24	7.95
110[illegible]	96[illegible]	Exch. 11pc 1991	106[illegible]	[illegible]	11.11	8.99
118[illegible]	103[illegible]	Treas 12¾pc 1992‡‡	114	[illegible]	9.62	8.91
107[illegible]	92[illegible]	Treas 10pc 1992	103[illegible]	[illegible]	9.99	8.97

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LONDON SHARE SERVICE

INSURANCES—Continued

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
348	220	PWS Holdings 10p	335	−2	†9.25	2.9	4.1	11.8
386	200	Pearl Group 5p	348	−2	8.8	—	3.6	—
*950	714	Prudential	865	−19	29.0	—	4.8	—
499	362	Refuge 5p	462xd	−7	15.75	—	4.8	—
£10¾	762	Royal	959xd	+7	31.0	—	4.6	—
*408	299	Sedgwick Group 10p	325	−5	♦12.0	1.7	5.2	13.8
275	194	Steel Burrill J.10p	252	−2	9.0	♦	5.2	♦
505	347	Stewart Wr. 20p	459	—	13.0	♦	4.1	♦
450	285	Sturge Hldgs 20p	426xd	−4	16.0	2.5	2.0	27.9
831	520	Sun Alliance	833	+36	23.5	—	4.2	—
£11	778	Sun Life 5p	[illegible]	[illegible]	28.5	—	—	—
£52¼	£16½	♦Taisho M EDR	[illegible]	[illegible]	[illegible]	—	0.9	—
£24¾	£15¾	Torchmark $1.00	[illegible]	[illegible]	[illegible]	—	2.1	—
395	120	Trade Indemnity	390	—	4.5	—	1.8	—
£40¾	£29¾	Travelers $1.25	£29¾	[illegible]	$2.28	—	5.0	—
£33⅞	£25⅜	USLIFE Corp. $1.0	£25⅛	[illegible]	[illegible]	3.2	3.1	10.2
595	425	Wind Friendly B 10p	595	—	17.2	—	4.1	—
492	395	Willis Faber 12½p	420	−2	10.75	♦	3.7	♦
59	38	Windsor Secs. 10p	58	+1	0.7	1.5	1.7	53.7

LEISURE

1986/87 High	Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
17	8½	♦A & M Group 10p	13½	−1½	0.4	2.8	4.2	16.9
83	72	A-R TV Pref. £1	76	—	5.95	48.1	19.2	—
*549	159	Anglia TV	496	−7	g11.25	3.3	3.2	13.8
179	105	§Aspinall Hldgs. 10p	149	−1	6.0	1.2	5.7	20.4
87	63	♦Avesco 1p	83	−1	10.5	6.6	0.8	21.3
50	39	♦BCE Hldgs 5p	44	−½	Rd1.0	3.0	3.2	14.6
185	96	Barr & W.A.T. 'A'	180	−3	7.0	1.4	5.5	(17.2)
225	127	Boosey & Hawkes	168	−1	—	—	—	—
83	37	♦Border T.V.	65	+7	†q2.5	3.2	5.4	16.3
422	98	Brent Walker 10p	418	−3	4.0	2.7	1.4	31.8
198	93	Campari Int. 20p	177	−2	13.0	♦	2.4	♦
674	212	Central ITV	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

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[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

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[illegible]

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[illegible]

TOBACCOS

[illegible]

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[illegible]

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[illegible]

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[illegible]

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PLANTATIONS

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[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

MINES—Continued

[illegible]

Tins

[illegible]

Miscellaneous

[illegible]

THIRD MARKET

[illegible]

NOTES

[illegible]

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −	Stock	Price	+ or −
Albany Inv 20p	75	—	Fin. 13% 97/02	£107⅝	+¼
Craig & Rose £1	£15¾	—	Arnotts	340	−20
Finlay Pkg. 5p	68	—	CPI Hldgs	55xd	—
Holt (Jos) 25p	985	—	Carroll Inds.	123	−2
IoM Stm. £1	95	+2	Dublin Gas	11	—
			Hall (R. & H.)	112	−3
IRISH			Heiton Hldgs.	51	—
Fund 11¾% 1988	£98⅝	+⅛	Irish Ropes	178	—
Nat. 9¾% 84/89	£94⅝	+⅛	Unidare	405xd	—

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	35	NEI	8
Amstrad	16	Nat West Bk	55
BAT	47	P & O Dfd	55
BOC Grp	42	Plessey	20
BSR	12	Polly Peck	20
BTR	30	Racal Elect	20
Babcock	19	RHM	30
Barclays	47	Rank Org Ord	55
Beecham	48	Reed Intnl	42
Blue Circle	62	STC	20
Boots	25	Sears	12
Bowaters	37	TI	55
Brit Aerospace	58	TSB	8
Brit. Telecom	20	Tesco	42
Burton Ord	25	Thorn EMI	50
Cadburys	22	Trust Houses	20
Charter Cons.	30	Turner Newall	24
Comm Union	29	Unilever	150
Courtaulds	35	Vickers	55
FNFC	20	Wellcome	50
Gen Accident	80	**Property**	
GEC	18	Brit Land	17
Glaxo	110	Land Securities	30
Grand Met	40	MEPC	32
GUS 'A'	100	Peachey	30
Guardian	85	**Oils**	
GKN	30	BOM	3½
Hanson Tst.	15	Brit Petroleum	60
Hawker Sidd	50	Burmah Oil	38
ICI	80	Charterhall	4
Jaguar	52	Premier	4
Ladbroke	40	Shell	75
Legal & Gen	25	Tricentrol	11
Lex Service	35	Ultramar	17
Lloyds Bank	48	**Mines**	
Lucas Inds	55	Cons Gold	65
Marks & Spencer	18	Lonrho	24
Midland Bk	55	Rio T Zinc	65
Morgan Grenfell	35		

A selection of Options traded is given on the London Stock Exchange Report Page.

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 23	Apr 2	Apr 3	Apr 13
Apr 6	Apr 23	Apr 24	May 5
Apr 27	May 7	May 18	May 28

* New time dealings may take place from 9.00 am two business days earlier.

Equities fall sharply as traders await Wall Street response to prime rate moves

The UK securities markets fell away in nervous trading yesterday as London waited for Wall Street's reaction to the increases in prime lending rates by major US banks. Although selling was still restrained, share prices weakened significantly during the morning, and extended their losses after Wall Street opened lower only to rally marginally in late dealings. Government bonds had another erratic session, closing with small losses after taking their lead from an active Gilt futures sector.

The FT-SE 100 index ended 24.5 down at 1973.1, after touching a low for the day of 1961.7. This broadly-based index has lost 75 points, or 3.7 per cent since Monday morning when London made its first response to the growing trade tensions between the US and Japan. At 1558.0 the FT ordinary index fell 19.1 yesterday.

"It was a day of waiting for Wall Street," said one trader. Stocks, and bonds opened higher, encouraged briefly by firmness in the New York and Tokyo markets overnight, and by signs of moves in Washington to ease the trade tensions.

But with Wall Street's reaction to prime rate increases by Citibank and Chase Manhattan still unknown, London quickly backed away. Share prices crumbled during the morning, with oil stocks particularly weak and the blue chip exporters unsettled by the still uncertain outlook for the Yen/dollar rate. With higher US rates now undermining hopes for lower UK bank rates, consumer stocks weakened.

However, selling was still relatively moderate. Many institutions, particularly the British unit trusts, closed their books on Tuesday night for the 1986-87 year, and were not ready—or inclined—to re-enter the market yesterday. Consequently, much of the equity trading represented inter-dealer activity, with a top dressing of private investor offerings. Dealers are nervous ahead of new-time trading for the three week Easter account which commences today.

The Government bond sector was equally unsure of itself. Prices made a brave start, encouraged by firmness in the US long bond in Japan, which traded after the news of the prime rate increases. There was very little retail interest, however, and the cash market began to react to the trend in the Gilt futures pits, where the "locals," or independent traders had an exciting day. The long Gilt futures contract spun down from 124 to 122-18 before rallying at the close.

Views in the bond market of the higher US primes—other banks followed suit yesterday—were cautious. Some analysts saw the moves as possibly temporary—to be rescinded if the dollar steadied—but others feared a change of direction by US rates—which would extinguish hopes of another cut in British bank rates in the near term.

Annual pre-tax profits of £180m reported by Sun Alliance exceeded by £25m most recent optimistic forecasts and the shares immediately soared to 830p bid before reacting on profit-taking to close the session 36 higher on balance at 813p. GRE's preliminary profits of nearly £144m were in line with expectations and the shares improved to 909p initially before closing 6 easier at 898p. Royals continued to reflect a Wood Mackenzie circular with a fresh improvement of 7 at 959p. Elsewhere, Sun Life, in which Liberty Life of South Africa holds a 25.7 per cent stake and rumoured of late to be a possible takeover target of the TSB, jumped ½ to £10⅞ in response to the better-than-expected annual results. Abbey Life, meanwhile, reported higher preliminary profits of £38.8m — brokers forecasts had ranged between £38m and £40m — and an accompanying bullish statement from the chairman, but closed 7 cheaper at 256p.

Comment on the poor preliminary results brought fresh selling pressure to bear on Kleinwort Benson which lost 28 more making a two-day decline of 85 at 493p. Other merchant banks continued to retreat in sympathy with Hill Samuel down 8 afresh at 411p and Mercury International 8 off at 368p. Elsewhere, confirmation of the sale of its Bowmaker Irish consumer finance subsidiary to Woodchester Investments for about £9m left Lloyds 5 dearer at 472p; Woodchester added 10 at 540p. Midland, on the other hand, lost 10 to 624p. Following details in the group's annual report of near-£4m compensation payment made to Mr Frank Cahouet, the banker hired in 1984 to help turn around Crocker National.

Wyvale Garden Centres staged a successful market debut; the shares, placed at 120p, opened at 145p and touched 187p prior to closing at 180p, a first-day premium of 60. Investment trust Melville Street settled at 125p

The Brewery sector suffered as potential buyers stood back, leaving the market at the mercy of small sellers. Few leading issues traded in any volume but Bass still fell 15 to 886p and Guinness lost 3 at 316p. Allied-Lyons, which had shown marked resistance during the previous session, nudged higher late to 393p. Greenall Whitley ran into fresh offerings and closed 8 down at 219p but Whitbread "A" were steadier at 304p, a loss of only 3. Distillers continued to find isolated support and Macallan-Glenlivet gained 7 to 380p while Macdonald Martin "A" improved 7 to 965p.

Business among leading Buildings was fairly light, but prices remained sensitive to small offerings and generally closed lower on the day. RMC gave up 14 at 807p, while Rugby Portland Cement shed 8½ to 221p. Barratt Developments slipped 5½ to 174p and George Wimpey lost 3 at 210p, while Amec softened a couple of pence to 330p despite satisfactory annual figures and a confident statement. Marley shed 7 to 144p awaiting today's preliminary figures, while BPB Industries gave up 20 at 663p. Elsewhere, Berkeley Group attracted support at 338p, up 28p, while Erith put on 6 to 170p.

Fears that the overnight rise in US prime rates could veto an early further reduction in clearing bank base lending rates depressed leading Stores. Dixons dropped 13 to 377p and Gussies "A" gave up ⅛ to £12⅛, while Woolworth, which this week announced an agreed takeover of Superdrug, lost 9at 790p. Marks and Spencer relinquished 3 at 216p, as did Burton at 297p; the latter's interim results are scheduled for today. Elsewhre, Ratners ended 4 lower at 322p despite news of the completed sale and leaseback of a portfolio of nine freehold properties for £9.1m, an increase of 34 per cent over their book value at January 31 1986. Etam came on offer at 226p, down 12 and Ward White dropped 12 at 324p. Debfer, on the other hand, advanced 9 more to 255p on further consideration of the excellent preliminary results.

News of the company's rejection of Japan's offer of only a 5 per cent stake in the consortium competing for a licence to operate as Japan's second international telecommunications carrier left Cable and Wireless 8 down at 365p. BICC retreated 6 more to 330p and GEC relinquished 2 at 206p and Plessey were 4 lower at 229p. Thorn EMI, however, responded to revived takeover speculation and a recent broker's recommendation with a gain of 17 to 642p following a turnover of well over 3m shares. Elsewhere, United Leasing jumped 30 to 261p following news of the recommended cash offer from Swiss-based Inspectorate International. The appearance of a large buyer in the wake of the group's reorganisation proposals helped Chloride revive with a gain of 3 to 69p, while Atlantic Computer put on 10 to 555p following publicity given to the appointment of James Capel as the group's lead broker. Revived speculative support lifted BSR 3 to 106p, but comment on the disappointing preliminary figures prompted a fall of 51 to 871p in AB Electronics.

Engineers continued to give ground, but losses in the leaders were usually limited to a few pence. Elsewhere, Simon ran into selling and fell 20 to 353p, while Glynwed, a recent high flier gave up 7 to 418p. Crown House dipped 17 to 203p and Concentric lost 8 to 170p. 600 Group ended 2½ at 145 after news of the agred sale of the major part of its scrap metal interests owned and operated by George Cohen for £4.3m in cash. Laird Group, awaiting the preliminary figures, gave up 9 to 31½p, while profit-taking after the annual results left Aurora 7½ lower at 89p.

A couple of bright features emerged in the Food sector. S. and W. Berisford responded smartly to sustained institutional buying and rose 7 to 264p, after 268p. Avana gained 9 to 772p on talk of a possible white knight emerging to counter the current unwelcome offer for the company from Ranks Hovis McDougall; RHM settled 2 cheaper at 319p. Recent takeover favourite Unigate encountered profit-taking and closed 12 lower at 368p, while Tate and Lyle lost 13 at 745p.

Stakis in the Hotel sector moved sharply higher on aggressive buying fuelled by bid speculation and the close was 9 higher at 112p, after 114p.

International stocks remained vulnerable in the face of an initial setback on Wall Street. Beecham featured a fall of 12 at 538p, while BOC gave up 9 to 420p and Glaxo eased ⅛ to £14¼. Elsewhere in the miscellaneous industrial sector, profit-taking clipped 17 from Pilkington at 771p. Reckitt and Colman, scheduled to reveal preliminary figures today, eased 8 to 962p. Hepworth Ceramic closed 5 higher at 217p on the announcement that it has agreed to acquire TI Domestic Appliances for £63.5m and the vendor placing of just over 32.3m shares. TI Group closed a shade off at 655p, after 665p. Press mention left Vinten Group 6 to the good at 169p, but revived offerings saw London International fall away to close 12 lower at 286p. Christies International firmed 3 to 406p in response to the preliminary results. Johnson Matthey, reflecting the recent improvement in the bullion price, touched 343p prior to settling 7 dearer on balance at 338p. Speculative demand prompted a gain of 11 to 50p in Celestion, but Fisons were noteworthy for a fall of 20 at 616p, while Rank Organisation gave up 14 to 662p and British Aerospace fell 13 to 621p. Renewed selling following comment on the annual results left C. H. Beazer down 10 further at 232p, but Worcester, up 15 further at 535p, continued to benefit from the preliminary figures.

Television issues encountered a fresh bout of profit-taking. Thames, not helped by news that Korean Airlines had won substantial damages following a High Court action, lost 20 more at 470p. TV-am shed 13 to 345p and Yorkshire 8 at 322p. Against the trend, Central TV attracted revived demand and rose 18 to 582p.

A mid-week investment recommendation provided no help for Lucas Industries, 10 lower at 563p, and Jaguar resumed the recent downturn to end 10 easier at 570p. Motor Distributors were caught up in the weakness, T. Cowie losing 17 to 373p and Lex Service 12 to 372p. High-flier Caffyns wilted badly, despite Press comment, and closed 25 down at 385p.

Bid speculation lifted Octopus Publishing to 705p before a close of 8 up on the day at 693p while sporadic support in a thin market raised Homes and Marshant 12 further to 362p. Blenheim Exhibitions were again favoured and rose 7 to 218p but other changes in the sector were often minuses. Jefferson Smurfit fell 20 to 435p, DRG 8 to 405p. A good Press on Tuesday's annual results failed to rekindle enthusiasm for Bunzl, which slipped 7 more to 221p.

Dealings in Alfred Walker resumed following details of the proposed £4.7m rights issue announced to partly finance the acquisition of Dacat Financial Services and a 50 per cent stake in Westlea Developments, two property development companies; the shares wre re-quoted at 183p compared with the suspension price of 185p and immediately jumped to 243p prior to closing at 238p.

Asset Trust slipped back 15 to 86p as the talks with a third party were discontinued. Authority Investments closed unaltered at 410p following a proposed £10.25m rights issue and the acquisition of a Jersey-based financial services group. Sector lead British and Commonwealth weakened 13 more to 432p while Mercantile House gave up 10 at 338p. Baillie Gifford issues retained a firm stance; a savings scheme has been established for shareholders and potential shareholders of the six trusts managed by the group. Elsewhere, General Funds rose 5 to 273p after Monopolies Commission clearance of the bid from Rosehaugh.

The oil sector remained under pressure for much of the day but climbed off the lowest levels towards the close as Wall Street staged a good rally. BP, whose $7.5bn offer for the minority holding in Standard Oil began yesterday, dropped to 887p before settling a net 19 off at 896p, amid talk that the company will have to increase its $70 a share offer. British Gas fell 2 to 88½p, on a turnover of 20m shares, while LASMO slipped 8 to 246p despite a favourable press response to the preliminary results which included a much-better-than-expected final dividend.

Recent confirmation that the group is back in profit after having incurred losses since 1982 stimulated fresh demand for Boustead and the shares rose 3 further to 42p. Polly Peck were also on buyers' lists and moved higher to 125p before settling only 3 firmer on balance at 221p.

Mining markets turned easier for the first time in 12 trading sessions. Share prices were upset by news of increased US prime rates which prompted a decline in precious metal prices.

Australian mines staged a broad retreat—albeit on a minor scale—but provided the day's outstanding feature in Central Norseman Gold; the latter's shares jumped 150 to 960p on news of the proposed seven-for-one bonus issue. Elsewhere in the sector Gold Mines of Kalgoorlie rose 15 to 280p in the wake of the four-for-one share split while Metana Minerals put on 8 to 623p reflecting the trebled interim profits.

Reflecting the sudden change in equity market sentiment, operators showed increased interest in the FT-SE 100 index put positions in the traded options market. Here, 5,804 puts were done—2,738 in the May 1850s. British Gas, however, continued to attract a heavy call business, recording 7,165 with 2,404 arranged in the April 100s and 1,482 in the July 100s. Overall, 46,757 deals were done, comprising 29,913 calls and 16,844 puts.

Traditional Options

- First dealings March 12
- Last dealings April 11
- Last declaration July 9
- For Settlement July 20

For rate indications see end of Unit Trust Service

Stocks traded in for the call included Burns Anderson, Spong, Prestwich, Tricentrol, Laing Properties, Parkdale, Gilbert House, Systems Designers, Senior Engineering, Comtech, North Kalgurli, Belhaven, Property Trust, Astra Industrial, Benchmark, Kellock, Marks and Spencer, Polly Peck, Normans, W. H. Smith, Scottish and Newcastle, Wheway, TV Services, Underwoods, Berkeley and Hay Hill, Norfolk Capital, Grampian TV, J. Crowther, CASE, Morgan Grenfell, Parambe, Fobel, Pentland Industries, Amstrad, Abaco, TV South, Parkfield, Wordplex, British and Commonwealth, F. H. Tomkins, Atlantic Resources, Blacks Leisure, Barker and Dobson and Blackwood Hedge. Parkdale were dealt in for the put, while a double option was arranged in Amstrad.

FINANCIAL TIMES STOCK INDICES

	Apr. 1	Mar. 31	Mar. 30	Mar. 27	Mar. 26	Year ago	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Government Secs	90.14	90.28	89.97	90.67	91.22	91.92	94.51 (18/4/86)	80.39 (20/1/86)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	97.77	97.76	97.71	97.43	97.20	96.20	97.98 (19/3/87)	86.55 (23/1/86)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary ♥	1,558.0	1,577.1	1,582.2	1,620.6	1,614.9	1,425.9	1,625.2 (24/3/87)	1,094.3 (14/1/86)	1,625.2 (24/3/87)	49.4 (26/6/40)
Gold Mines	445.5	455.3	438.2	432.8	428.2	290.5	455.3 (31/3/87)	185.7 (18/7/86)	734.7 (15/2/83)	43.5 (26/10/71)
Ord. Div. Yield	3.76	3.72	3.71	3.63	3.65	3.77				
Earnings Yld.%(full)	8.60	8.49	8.45	8.31	8.37	9.18				
P/E Ratio (net) (*)	14.29	14.47	14.54	14.76	14.65	13.48				
SEAQ Bargains (5 pm)	47,598	56,166	54,984	50,538	55,725	—				
Equity Turnover (£m)	—	1,291.43	1,339.96	1,436.57	1,998.83	765.48				
Equity Bargains	—	71,707	65,760	63,824	68,143	46,000				
Shares Traded (ml)	—	—	564.1	537.0	601.4	310.4				

S.E. ACTIVITY

Indices	Mar. 31	Mar. 30
Gilt Edged Bargains	178.1	151.2
Equity Bargains	464.6	426.1
Equity Value	2610.3	2708.4
5-Day Average		
Gilt Edged Bargains	174.9	176.2
Equity Bargains	442.1	440.1
Equity Value	2932.4	3083.7

♥ Opening	10 a.m.	11 a.m.	Noon	1 p.m.	2 p.m.	3 p.m.	4 p.m.
1576.2	1571.0	1559.7	1554.4	1555.9	1557.9	1558.4	1549.8

Day's High 1578.4. Day's Low 1549.2

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, *Nil=13.76.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-246 8026

NEW HIGHS AND LOWS FOR 1986-87

NEW HIGHS (72)

CANADIANS (5), BANKS (3), BREWERS (2), BUILDINGS (2), CHEMICALS (1), STORES (2), ELECTRICALS (2), FOODS (3), INDUSTRIALS (10), NEWSPAPERS (2), PAPER (5), PROPERTY (7), SOUTH AFRICANS (1) TRUSTS (4), OILS (4), MINES (10), THIRD MARKET (1).

NEW LOWS (5)

AMERICANS (1) Ivax Storage/Retvl. Syst., INDUSTRIALS (2) Hollis 252pc Ln, InfraRed Assoc., LEISURE (1) Samuelson Group, TRUSTS (1) Sumit.

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 6 pm.

Stock	Volume 000's	Closing price	Day's change	Stock	Volume 000's	Closing price	Day's change
ASDA-MFI	3,000	147	−2	Jaguar	1,000	570	−10
Allied Lyons	3,100	393	+2	Ladbroke	555	427	−8
Argyll	1,100	405	−8	Land Securities	1,300	377	
Amstrad	2,300	177	−1	Legal & Gen.	1,300	273	−7
Assoc. Brit. Foods	382	340	−7	Lloyds Bank	1,500	472	+5
BAT	4,500	527	−9½	Lonrho	1,400	280	−5
BET	250	492	−6	MEPC	438	386	+3
BOC	924	420	−9	Marks & Spncr	2,700	216	−3
BPB Inds	195	663	−20	Midland Bank	1,400	624	−10
BPCC	446	331	−9	NatWest Bank	510	599	−5
BTR	1,400	315	−7	Pearson	1,700	583	−3
Barclays	1,000	506	−15	P & O	442	625	−6
Bass	274	886	−15	Pilkington Bros	934	771	−17
Beecham	2,900	538	−12	Plessey	2,900	229	−4
Blue Circle	365	613	−10	Prudential	1,000	865	−19
Boots	2,500	268	−3	Racal	617	229	−2
Brit. Airways	5,100	129	−2	Rank Org.	331	662	−14
Brit. Aero	1,300	621	−13	RHM	665	319	−2
Brit. & Comm.	1,600	432	−13	Reckitt & Col	67	962	−8
Brit. Gas	20,250	88½	−2	Redland	1,100	471	−13
Britoil	14,000	243	+2	Reed Intl.	2,000	391	+11
BP	10,000	896	−19	Reuters	657	701	
Brit. Telecom	4,900	209	−2	RMC	111	807	−14
Bunzl	1,100	221	−6½	RTZ	1,400	798	−29
Burton	2,300	297	−3	Rowntree Mac	1,500	489	−1
Cable & Wire	4,800	365	−8	Ryl Bnk of Scotland	195	312	−3
Cadbury Schwps	2,100	239	−4	Royal Insurance	1,200	959	+7
Coats Viyella	319	509	−6	STC	3,200	250	
Comm. Union	1,000	314	−6	Saatchi & Saatchi	1,200	648	−5
Cons. Gold	846	953	−14	Sainsbury	464	489	−6½
Cookson	485	573	−10	Scott & Newcastle	—	222	−3
Courtaulds	1,600	424	−7	Sears	3,100	128½	+½
Dee Corpn	3,800	235	−1	Sedgwick	914	323	−5
Dixons Grp	2,200	377	−13	Shell Trans	5,730	£12⅛	−⅛
English China Clays	1,300	409	−3	Smith & Nephew	844	157	−1½
Fisons	376	616	−20	Standard Chart	529	832	−4
Gen. Accident	140	938	−6	Storehouse	1,300	289	−1
Gen. Elect	12,000	206	−2	Sun Alliance	3,700	813	+36
Glaxo	2,300	£14¼	−⅛	TSB	8,400	86	−½
Globe Investment	356	151	−3	Thames	1,300	510	−6
Granada	1,600	399	−5	Tesco	844	462	−6
Grand Met	1,800	463	−9	Thorn EMI	3,300	642	+17
Gus "A"	106	£12⅛	−⅛	Trafalgar House	1,800	335	−10
Guardian R.E.	298	898	−6	T'house Forte	4,300	368	−12
GKN	779	309	−4	Unigate	1,400	368	−12
Guinness	4,800	316	−3	Unilever	200	£25½	−½
Hammerson Prop	—	510		United Biscuits	1,500	281	−3
Hanson Trust	8,000	164½	−1½	Wellcome	1,400	430	
Hawker Sidd	820	519	−11	Whitbread 'A'	1,800	304	−3
Hillsdown Hlgs	6,600	253	−10	Willis Faber	—	420	−2
ICI	1,700	£12⅞	−⅛	Woolworth	785	790	−9
Imp. Cont. Gas	911	718					

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	24	78	11
Corporations, Dominion and Foreign Bonds	13	20	35
Industrials	248	878	415
Financial and Properties	76	274	237
Oils	18	44	50
Plantations	0	4	10
Mines	41	93	47
Others	91	58	59
Totals	511	1,449	864

FT-ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed April 1 1987 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 29%)	Est. P/E Ratio (Net)	xd adj. 1987 to date	Tues March 31 Index No.	Mon March 30 Index No.	Fri March 27 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (207)	843.44	−1.4	7.59	3.17	16.60	2.72	855.22	862.41	876.83	717.71
2	Building Materials (27)	1046.42	−1.8	7.47	3.17	16.81	0.72	1065.91	1074.87	1089.77	818.55
3	Contracting, Construction (30)	1420.51	−1.5	7.23	3.37	18.93	3.07	1441.47	1463.49	1491.46	1143.60
4	Electricals (12)	2066.69	−1.4	7.29	3.95	17.61	2.05	2095.86	2142.89	2166.42	1976.19
5	Electronics (36)	1877.97	−0.9	8.02	2.38	16.42	10.44	1894.70	1896.97	1942.14	1626.48
6	Mechanical Engineering (59)	473.36	−1.6	8.41	3.66	15.20	1.54	480.96	485.68	490.62	410.97
8	Metals and Metal Forming (7)	468.01	−0.2	7.74	3.39	15.69	0.00	468.89	470.80	475.35	331.07
9	Motors (16)	322.14	−1.7	8.49	3.37	13.65	2.63	327.62	330.32	336.94	285.70
10	Other Industrial Materials (20)	1437.73	−1.4	6.18	3.48	19.33	3.29	1458.46	1476.22	1499.90	1307.60
21	CONSUMER GROUP (188)	1144.34	−1.1	6.41	2.84	20.08	3.03	1157.10	1162.36	1194.01	932.84
22	Brewers and Distillers (22)	1047.47	−1.1	8.16	3.31	15.42	3.55	1058.89	1062.18	1089.62	937.49
25	Food Manufacturing (26)	866.12	−1.4	7.72	3.50	17.03	3.66	877.99	883.23	904.42	687.63
26	Food Retailing (16)	2122.54	−1.3	5.94	2.62	23.38	10.13	2149.61	2154.49	2192.15	1905.85
27	Health and Household Products (10)	2203.35	−1.2	4.31	1.75	26.90	0.28	2229.51	2248.18	2341.53	1542.82
29	Leisure (32)	1250.54	−0.7	6.05	3.44	21.87	8.62	1259.11	1257.82	1287.83	936.73
31	Packaging & Paper (15)	587.38	−1.4	5.91	2.89	21.95	2.03	595.53	606.03	618.63	458.81
32	Publishing & Printing (14)	3513.75	—	5.78	3.32	22.26	5.18	3512.87	3595.97	3621.27	2365.73
34	Stores (37)	962.73	−1.2	6.74	2.84	20.17	1.46	974.17	973.78	1001.99	925.71
35	Textiles (16)	696.98	−1.2	7.73	3.08	14.85	0.44	705.78	710.91	720.23	560.72
40	OTHER GROUPS (88)	968.73	−1.2	8.12	3.54	15.30	4.17	980.29	982.49	1002.22	833.43
41	Agencies (17)	1409.54	−0.6	4.40	1.78	30.72	6.40	1418.30	1425.74	1455.97	0.0
42	Chemicals (21)	1206.16	−1.4	8.09	3.66	15.15	16.19	1223.53	1238.93	1276.11	901.41
43	Conglomerates (12)	1264.47	−1.1	6.93	3.49	17.07	2.13	1278.74	1283.22	1292.79	0.0
45	Shipping and Transport (11)	1969.81	−0.9	6.81	4.13	17.78	2.98	1988.13	1985.11	2014.75	1652.84
47	Telephone Networks (2)	976.76	−1.1	9.57	3.94	14.24	1.09	987.31	978.31	1000.41	1006.99
48	Miscellaneous (25)	1334.18	−1.5	9.04	3.37	12.47	3.29	1354.08	1363.44	1387.79	1018.53
49	INDUSTRIAL GROUP (483)	1031.46	−1.2	7.17	3.12	17.67	3.35	1043.91	1049.01	1072.76	861.39
51	Oil & Gas (17)	1850.00	−1.3	9.16	4.81	13.80	35.18	1873.95	1884.20	1927.41	1180.06
59	500 SHARE INDEX (500)	1100.81	−1.2	7.46	3.37	16.97	6.14	1114.24	1119.78	1145.18	890.38
61	FINANCIAL GROUP (117)	684.10	−0.5	—	4.31	—	5.94	687.39	688.07	698.81	621.64
62	Banks (8)	721.92	−0.3	19.09	5.29	6.99	12.84	724.34	718.11	733.13	680.17
65	Insurance (Life) (9)	949.44	−1.3	—	4.39	—	0.66	961.81	960.97	975.32	891.51
66	Insurance (Composite) (7)	535.63	+0.5	—	4.44	—	5.06	532.99	531.68	536.39	509.46
67	Insurance (Brokers) (9)	1185.08	−0.8	8.89	4.62	14.54	13.35	1194.53	1193.04	1212.42	1245.29
68	Merchant Banks (11)	359.02	−1.7	—	3.59	—	0.71	365.29	378.18	384.60	366.90
69	Property (47)	950.85	+0.1	4.83	3.15	26.96	1.64	949.46	957.33	968.20	245.37
70	Other Financial (26)	455.16	−1.6	7.18	3.38	17.80	2.35	462.65	465.39	473.64	353.65
71	Investment Trusts (95)	959.83	−1.5	—	2.47	—	4.64	974.71	975.83	992.46	747.64
81	Mining Finance (2)	426.58	−2.6	7.18	3.86	16.37	1.89	437.98	436.69	430.54	309.45
91	Overseas Traders (11)	894.23	−0.8	9.13	5.03	13.28	10.30	901.14	905.81	910.75	690.73
99	ALL-SHARE INDEX (725)	988.79	−1.1	—	3.49	—	5.97	1000.04	1004.17	1025.08	811.39

	Index No.	Day's Change	Day's High	Day's Low	March 31	March 30	March 27	March 26	March 25	Year ago
FT-SE 100 SHARE INDEX ♣	1973.1	−24.5	1999.7	1961.7	1997.6	2002.5	2048.6	2037.8	2042.9	1659.0

FIXED INTEREST

	PRICE INDICES	Wed April 1	Day's change %	Tues March 31	xd adj. today	xd adj. 1987 to date
	British Government					
1	5 years	123.28	+0.05	123.24	0.03	3.24
2	5-15 years	142.70	−0.22	143.02	—	3.46
3	Over 15 years	151.28	−0.46	151.98	—	3.45
4	Irredeemables	166.50	−0.36	167.10	—	1.62
5	All stocks	138.78	−0.18	139.05	0.01	3.39
	Index-Linked					
6	5 years	119.81	−0.03	119.85	—	0.83
7	Over 5 years	122.02	−0.06	122.10	—	0.88
8	All stocks	121.62	−0.06	121.70	—	0.86
9	Debentures & Loans	124.60	+0.50	123.98	—	2.15
10	Preference	86.41	+0.01	86.40	—	1.56

	AVERAGE GROSS REDEMPTION YIELDS		Wed April 1	Tues March 31	Year ago (approx.)
	British Government				
1	Low	5 years	8.16	8.17	7.95
2	Coupons	15 years	9.08	9.04	8.42
3		25 years	9.10	9.06	8.43
4	Medium	5 years	9.12	9.13	8.89
5	Coupons	15 years	9.28	9.21	8.79
6		25 years	9.28	9.22	8.76
7	High	5 years	9.26	9.24	8.99
8	Coupons	15 years	9.39	9.35	8.93
9		25 years	9.20	9.16	8.88
10	Irredeemables†		9.08	9.05	8.51
	Index-Linked				
11	Inflat'n rate 5%	5 yrs	2.67	2.66	3.52
12	Inflat'n rate 5%	Over 5 yrs	3.36	3.36	3.55
13	Inflat'n rate 10%	5 yrs	2.04	2.02	2.47
14	Inflat'n rate 10%	Over 5 yrs	3.23	3.22	3.39
15	Debs &	5 years	9.79	9.83	10.02
16	Loans	15 years	10.10	10.17	9.91
17		25 years	10.14	10.21	9.80
18	Preference†		10.80	10.80	11.20

♣Opening index 1997.1; 10 am 1990.9; 11 am 1976.3; Noon 1967.9; 1 pm 1970.5; 2 pm 1973.4; 3 pm 1974.4; 3.30 pm 1965.1; 4 pm 1962.8

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 32p.

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
Allied Lyons (*384)	330	57	65	75	1	4	6
	360	28	45	57	3	15	22
	390	12	27	38	17	27	32
	420	3	15	20	40	50	53
Brit. Airways (*127)	100	28	30	36	1	1½	4
	110	18	24	28	1	3	6½
	120	9	15	20	1½	7	11
[illegible]							

LONDON RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

[illegible]

WORLD STOCK MARKETS

AUSTRIA

April 1	Price Sch.	+ or −
Credi'nst'lt pp	2,000	......
Goesser	2,990	−50
Interunfall	12,900	−25
Jungbunzlauer	8,900	−30
Laenderbank	1,950	+5
Perlmooser	650	......
Steyr Daimler	140	......
Veitscher Mag	840	−1

BELGIUM/LUXEMBOURG

April 1	Price Frs.	+ or −
B.B.L.	3,020	+20
Banq.Gen. Lux	15,400	......
Banq.Int.A.Lux	14,800	......
Bekaert	10,600	+50
Ciment CBR	4,970	+20
Cockerill	135	+1
Delhaize	3,250	......
EBES	5,300	......
Fabrique Nat	1,660	−10
GB Inno BM	1,034	......
GBL (Brux)	3,660	......
Generale Bank	6,700	......
Gevaert	6,570	......
Hoboken	7,100	+100
Intercom	4,160	−20
Kredietbank	4,380	−20
Pan Holding	11,350	+50
Petrofina	9,990	−60
Royale Belge	24,630	+35
Soc.Gen. Belge	3,400	+50
Sofina	13,700	......
Solvay	9,840	+70
Stanwick Int	430	......
Tractebel	6,900	+20
UCB	9,600	......
Wagons Lits	5,880	......

DENMARK

April 1	Price Knr %	+ or −
Baltica Skand	900	+5
Cop Handels'bk.	256	−1
D. Sukkerfab	324	−4
Danske Bank	328	−2
East Asiatic	170	−1
Forenede Brygg.	850	−10
GNT Hld	260	−4
I.S.S.B	800	......
Jyske Bank	495	−5
Novo Inds*	251	−16
Privatbanken	250	−5
Sophus Berend	805	......
Superfos	195	+5

FINLAND

April 1	Price Mka	+ or −
Amer	224.5	+1.5
KOP	50.75	−1
Kone	207.5	−1.5
Finnish Sugar	100.5	......
Nokia	177.5	−2
Pohjola 'B'	89.95	......
Rauma-Repola	22.75	......
Stockmann 'B'	209	−2.5
UBF 'C'	34.85	......
Wartsila (811)	209	+1.5

NETHERLANDS

April 1	Price Fls	+ or −
ACF Holdings	53.5	−0.5
AEGON	89.5	......
Ahold	107	−0.2
AKZO	140.9	−5
ABN	521	......
AMEV	68.3	+1
AMRO	83.8	+0.6
Bredero Cert	50	−1
Buehrmann Tet	45.5	−0.2
Dordtsche Pet'm	219	......
Elsevier-NDU	252	+2
Fokker	49.2	+0.3
Gist Brocades	44.5	+1.1
Heineken	175.5	+0.7
Hoogovens	37.8	+2
Hunter Doug NV	54.7	−0.1
IHC/Caland	23.2	+0.4
Int. Mueller	64.6	−1.5
KLM	30.6	......
KNP	137.2	−1.2
Nat Ned Cert	75.5	+1.7
Ned Mid Bank	161	−1
Nedlloyd	172.5	−1.5
Oce Grinten	390	+2
Ommeren (Van)	35.9	+0.1
Pakhoed	69.7	−0.3
Philips	48.8	−0.4
Robeco	100.7	+0.5
Rodamco	143.4	+0.5
Rolinco	89.9	+0.7
Rorento	61.5	+0.1
Royal Dutch	239.1	−1
Unilever	579	+1
VMF Stork	24.8	+0.2
VNU	330	+3
Wessanen	63.3	+0.3
Wolters Samson	116	+1.3

GERMANY

April 1	Price Dm.	+ or −
AEG	314.5	+6
Allianz Vers	1,785	+65
BASF	278.4	+7.4
Bayer	319	+9.5
Bayer-Hypo	456	+14
Bayer-Verein	462	+14
BHF Bank	441	+6
BMW	536	+17.5
Brown Boveri	317.5	+2.5
Commerzbank	284	+5.5
Cont'l Gummi	331.8	+5
Daimler-Benz	1027.5	+28.5
Degussa	484.5	+4.5
D'sche Babcock	217	+2
Deutsche Bank	687	+9
Dresdner Bank	369	+7.5
Feld-Muehle Nbl	294	+3.5
Henkel	499	+8
Hochtief	757	−5
Hoechst	281.6	+5.6
Hoesch Werke	109.5	+3.5
Holzmann (P)	441	+3
Horten	233	+15
Husse!	576	+13
Karstadt	434.5	+11
Kaufhof	479.8	+6.5
KHD	153	+7
Kloeckner	81.5	+3.2
Linde	692	+33
Lufthansa	179	−1
MAN	179.7	+7.1
Mannesmann	175	+5
Mercedes Hld	862	+29
Metallgesell	298	−1
Muench Rueck	1,980	+5
Nixdorf	764	+15.2
Porsche	860	+3
Preussag	146.5	+0.3
Rhein West Elect	221	+5
Rosenthal	278	−4
Schering	585	+21.5
Siemens	698	+17
Thyssen	122.4	+0.9
Varta	346	+6
Veba	281.5	+12.5
V.E.W.	162	−1
Verein-West	423	+3
Volkswagen	361	+10

ITALY

April 1	Price Lira	+ or −
Banco Com'le	25,810	......
Bastogi-IRBS	580	+15.5
C.I.R.	6,441	+191
Credito Italiano	2,259xa	......
Fiat	12,880	+420
General Assicur	135,100	+1,598
Italcementi	87,500	+1,589
La Rinascente	1,256	+24
Montedison	2,800	+50
Olivetti	13,100	+201
Pirelli Co	7,160	+80
Pirelli Spa	5,366	+46
Saipem	4,500	−25
Snia BPD	4,780	+66
Toro Assic	32,100	+780

FRANCE

April 1	Price Fra.	+ or −
Emprunt 4½% 1973	1,610	......
Emprunt 7% 1973	7,990	−35
Accor	569	+2
Air Liquide	739	+1
BIC	840	+20
BNP	1,211	−5
Bongrain	2,755	+35
Bouygues	1,365	+10
BSN Gervais	5,200	+50
CIT Alcatel	2,849	+35
Carrefour	3,805	−15
Club Mediter'n	704	+1
Cie Bancaire	850xa	+21
Cofimeg	371	−3
Damart	2,890	−39
Darty	507	−4
Dumez S.A.	2,370	−3
Eaux (Cie Gen)	1,510	......
Elf Aquitane	343.5	−4
Essilor	3,390	......
Gen.Occidentale	1,315	−10
Imetal	117.2	−1.7
Lafarge Coppee	1,549	−2
L'Oreal	4,358	+50
Legrand	3,840	+60
Maisons Phoenix	161.2	−0.8
Matra S.A.	2,570	+10
Michelin B	3,455	+50
Midi (Cie)	1,590	......
Moet-Hennessy	2,418	−32
Moulinex	109	−2
Nord Est	205	−3
Pernod Ricard	1,095	......
Perrier	795	−6
Petroles Fra	455.1	−0.7
Peugeot S.A.	1,440	−5
Printemps (Au)	762	−2.7
Radio Tech	1,682	+42
Redoute	2,995	−35
Roussel-Uclaf	1,856	−25
Sefimeg	461	......
Skis Rossignol	1,315	+2
Telemec Elect	3,449	+3
Thomson (CSF)	1,696	+6
Valeo	581	+4

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all. * Price in Kroner.

NORWAY

Mar. 31	Price Kroner	+ or −
Bergens Bank	164.5	+1.5
Borgesen B.	280	......
Christiania Bank	184	+3.5
DenNorske Cred.	152.5	+3.5
Elkem	95.5	......
Kosmos	140.5	......
Kvaerner	185	+2
Norcem	134	+1.5
Norsk Data	241	−4
Norsk Hydro	171	−4.5
Orkla-Borregaad	436.5	+2.5
Storebrand	337.5	+4.5

SPAIN

April 1	Price Pts %	+ or −
Bco Bilbao	1,503	−12
Bco Central	1,045	−5
Bco Exterior	480	+5
Bco Hispano	595	......
Bco Popular	1,620	......
Bco Santander	1,132	......
Bco Vizcaya	1,760	......
Banesto	748	−35
Dragados	528	−2
Hidrola	73	−0.2
Iberduero	110.2	−0.8
Petroleos	462.5	+3
Telefonica	161.7	−0.3

SWEDEN

April 1	Price Kronor	+ or −
AGA	188	+2
Alfa-Laval B	290	+4
ASEA (Free)	322	......
Astra (Free)	640	......
Atlas Copco	182	+5
Beijer A B	178	−5
Cardo (Free)	175	−5
Cellulosa	351	+2
Electrolux B	305	......
Ericsson B	254	−6
Esselte	145	+1
Mo och Domsjo	300	−4
Pharmacia	204	−1
Saab Scania Free	705	−5
Sandvik	160	......
Skandia	162	−1
Skan Enskilda	121	−1
SKF	351	......
Stora Kopparbrg	333	−1
Sven. Handelsbk	440	......
Swedish Match	460	......
Volvo B (Free)	305	−4

SWITZERLAND

April 1	Price Frs.	+ or −
Adia Intl	10,900	+300
Alusuisse	485	......
Bank Leu	3,375	+50
Brown Boveri	1,780	+15
Ciba Geigy	3,300	......
do. (Part Certs)	2,270	−30
Credit Suisse	3,125	−5
Elektrowatt	3,710	+10
Fischer (Geo)	1,725	−30
Hoff-Roche PtCts	187,825	−1125
Hoff-Roche 1/10	13,800	+75
Jacobs Suchard	8,500	−25
Jelmoli	3,625	+25
Landis & Gyr	1,625	−5
Nestle	9,375	+25
Oer.Buehrle	1,220	+20
Pargesa Hldg	2,110	+10
Pirelli	459	......
Sandoz (Br)	11,800	−150
Sandoz (Pt Cts)	1,770	−10
Schindler (PtCts)	710	−10
Sika	1,700	......
Surveillance A	8,525	−25
Swissair	1,160	+15
Swiss Bank	469	−4
Swiss Reince	16,700	......
Swiss Volksbk	2,180	+20
Union Bank	5,250	−20
Winterthur Inh	6,600	+25
Zurich Ins	7,400	+50

AUSTRALIA

April 1	Price Aust. $	+ or −
ACI Intl	3.8	−0.1
Adelaide Steamsh	12	+0.1
Amcor	4.68	−0.1
ANZ Group	5.28	−0.02
Ampol Pet	3.05	......
Ariadne	2.43	+0.02
Ashton	2.5	−0.02
Aust. Guarantee	3.5	−0.05
Aust. Nat. Inds	2.17	−0.03
Bell Group	10.6	+0.1
Bell Res	6.44	+0.06
Bond Corp Hldgs	2.55	+0.05
Boral	4.5	......
Bougainville	2.62	+0.02
Brambles Inds	8.62	−0.12
Bridge Oil	1.55	+0.05
BHP	11.10	......
Burns Philp	10.5	−0.05
CRA	7.1	+0.14
CSR	4.25	+0.05
Chase Corp	4.70	......
Claremont Pet	1.06	+0.05
Coles Myer	5.5	−0.14
Comalco 'A'	5	......
Consolidated Pet	0.85	+0.02
Costain Aust	4.75	−0.15
Elders IXL	5.3	−0.1
Energy Res	1.86	+0.06

AUSTRALIA (continued)

April 1	Price Aust. $	+ or −
Gen. Prop. Trust	2.8	......
Hardie (James)	4.7	......
Hartogen Energy	2.8	−0.05
Herald W'y Times	18.30	......
ICI Aust	3.9	−0.05
Industrial Equity	3.26	−0.04
Jimberlana F.P.	0.55	+0.1
Kia Ora Gold	1.1	+0.05
Kidston Gold	7.9	−0.4
Lend Lease	13	−0.1
MIM	2.6	+0.05
Mayne Nickless	4.8	−0.1
Nat. Aust. Bank	6.22	−0.02
News	22.6	−0.2
Nicholas Kiwi	3.80	......
Noranda Pacific	3.85	+0.05
North Bkn Hill	2.75	+0.03
Oakbridge	0.68	......
Pacific Dunlop	4.6	−0.05
Pancontinental	3.4	−0.01
Pioneer Conc	3.60	......
Placer Pacific	2.45	......
Poseidon	11.7	+0.01
Queensland Coal	1.29	+0.01
Santos	5.34	+0.24
Smith Howard	4.93	−0.02
Thos. Natwide	4.62	......
Tooth	7.2	+0.1
Vamgas	2.6	......
Western Mining	7.70	......
Westpac Bank	4.62	+0.02
Woodside Petrol	2.3	......
Woolworths	3.5	......
Wormald Intl	3.58	−0.02

HONG KONG

April 1	Price H.K.$	+ or −
Bank East Asia	19.1	−0.3
Cathay Pacific	6.6	−0.1
Cheung Kong	43	−0.25
China Light	21.6	−0.1
Evergo	0.71	......
Hang Seng Bank	49.75	−2.25
Henderson Land	5.2	−0.05
HK China Gas	15.9	−0.3
HK Electric	13.2	−0.2
HK Land	7.8	......
HK Shanghai Bk	8.4xa	+0.1
HK Telephone	12.6	+0.1
Hutchison Wpo	51.5	−1.5
Indust.Equit.Pac.	23.7	−0.2
Jardine Math	22.7	−0.3
New World Dev	10	−0.1
SHK Props	25.5	......
Shell Elect	1.51	−0.05
Swire Pac A	21.9	−0.05
TV—B	12.6	−0.2
Wharf Holdings	8.6	−0.05
Winsor Inds	9.6	+0.1
World Int. Hldgs	3.7	+0.05

JAPAN

April 1	Price Yen	+ or −
Ajinomoto	4,100	+100
All Nippon Air	1,900	+100
Alps Electric	1,410	+20
Asahi Chem	1,130	−20
Asahi Glass	1,850	+170
Bank Tokyo	1,430	−20
Bridgestone	729	+4
Brother Inds	557	+5
Canon	738	+16
Casio Comp	990	+20
Chugai Pharm	1,630	+30
Daiei	1,320	−30
Dai-Ichi Kan. Bk	3,240	−10
Dai Nippon Ink	674	+15
Dai Nippon Ptg	1,690	+10
Daiwa House	2,200	+100
Daiwa Sec	2,840	+50
Eisai	1,990	+40
Fanuc	4,130	+100
Fuji Bank	3,170	−50
Fuji Film	2,950	+90
Fujisawa	1,990	+60
Fujitsu	805	+5
F'urukawa Elect	829	+24
Green Cross	2,670	−100
Heiwa Real Est	1,930	+50
Hitachi	890	−10
Hitachi Credit	1,660	−110
Honda	1,250	+10
Indl. Bk. Japan	3,600	+100
Ishikawajima Hr.	648	+32
Isuzu Motor	325	+5
Itoh (C)	790	+15
Ito Yokado	3,540	−40
JAL	15,400	+200
Jusco	1,060	−40
Kajima	1,730	+70
Kao Corp	1,640	+10
Kawasaki Steel	245	+12
Kirin	2,090	+30
Kobe Steel	348	+30
Komatsu	567	−38
Konishiroku	595	+2
Kubota	456	+5
Kumagai	1,350	+30
Kyocera	3,800	+160
Marubeni	457	+9
Marui	2,550	......
Mazda Motors	368	−4
Meiji Seika	930	......
MIE	1,460	+30
M'bishi Bank	3,150	......
M'bishi Chem	841	+5
M'bishi Corp	1,090	+40
M'bish Elect	503	−2
M'bishi Estate	3,370	+70

JAPAN (continued)

April 1	Price Yen	+ or −
MHI	592	+22
Mitsui Bank	1,620	......
Mitsui Co	680	+45
Mitsui Estate	2,590	+190
Mitsui Toatsu	580	+29
Mitsukoshi	1,250	......
NGK Insulators	808	−12
Nikko Sec	2,500	+120
Nippon Denso	1,310	+20
Nippon Elect	1,510	......
Nippon Express	1,600	+60
Nippon Gakki	1,300	−60
Nippon Kogaku	612	−7
Nippon Kokan	294	+19
Nippon Oil	1,350	+80
Nippon Seiko	493	+18
Nippon Shimpan	960	+5
Nippon Steel	349	+17
Nippon Suisan	606	+20
Nippon Yusen	699	+27
Nissan Motor	528	+25
Nisshin Flour	940	+39
Nomura	4,910	+150
Olympus	1,000	−20
Onoda Cement	688	+34
Orient Finance	1,100	+50
Orient Leasing	5,600	+80
Pioneer	1,850	+50
Ricoh	752	+2
Sankyo	1,680	−70
Sanwa Bank	2,830	−70
Sanyo Elect	415	+25
Sapporo	1,600	+50
Sekisui House	1,650	+70
Seven Eleven	6,750	−60
Sharp	854	−25
Shimizu Constn	1,100	+50
Shionogi	1,670	−30
Shiseido	1,740	+20
Showa Denko	616	+6
Sony	2,880	+150
S'tomo Bank	3,680	+20
S'tomo Chem	817	+27
S'tomo Corp	956	+8
S'tomo Elect	1,530	+10
S'tomo Metal	240	+14
Taisei Corp	1,200	+100
Taisho Marine	1,120	+20
Taiyo Kobe Bank	1,420	+50
Takeda	2,950	......
TDK	5,100	+110
Teijin	780	+20
Toa Nenryo	1,880	−90
Tokai Bank	1,890	−10
Tokio Marine	2,260	+60
Tokyo Elec Pwr	8,580	+330
Tokyo Gas	1,500	+80
Tokyu Corp	2,010	+30
Toppan Print	1,380	......
Toray	585	+11
Toshiba Elect	627	−15
Toyo Seikan	2,100	+100
Toyota Motor	1,580	......
UBE Inds	439	+25
Victor	1,950	+30
Yamaha	675	−15
Yamaichi Sec	2,220	+20
Y'manouchi Phm	3,970	+30
Yamazaki	1,730	+10
Yasuda Fire	1,060	+10

SINGAPORE

April 1	Price $	+ or −
Boustead Hldgs	1.68	−0.03
Cold Storage	3.96	−0.06
DBS	11.6	−0.2
Genting	6.45	−0.05
Haw Par. Bros	3.82	+0.02
Hong Leong Fin	3.02	−0.04
Inchcape Bhd	3.46	−0.06
Keppel Corp	2.85	−0.1
Malay Banking	5.55	−0.15
Malay Utd. Ind	2.25	......
Multi Purpose	0.77	−0.03
OCBC	9.45	−0.05
OUB	3.6	+0.02
Public Bank	1.74	+0.01
Sime Darby	2.58	−0.1
Singapore Air	11.1	−0.2
Singapore Press	7.9	......
Straits Trdg	3.94	−0.06
Tat Lee Bank	3.06	......
UOB	6	−0.05

SOUTH AFRICA

Mar. 27	Price Rand	+ or −
Abercom	3.8	−0.2
AE&CI	17.75	+0.75
Allied Tech	105	+4
Anglo Am. Coal	39.00	......
Anglo Am. Corp	67.5	−0.25
Anglo Am. Gold	312	......
Barclays Bank	20	+0.25
Barlow Rand	22	+0.15
Buffels	79	−2
CNA Gallo	5.45	+0.05
Currie Finance	7.2	......
De Beers	40.25	+0.5
Driefontein	71.25	−0.25
F.S. Cons	59.5	......
Gold Fields S.A.	55.75	−1
Highveld Steel	5.7	+0.2
Malbor	12.25	......
Nedbank	7.3	+0.25
OK Bazaars	15.5	+0.1
Rembrandt	109	+1
Rust Plat	46	+1
Safren	25	......
Sage Hldgs	14.5	......
SA Brews	17.75	......
Smith (CG)	36.25	+0.5
Tongaat Hulett	11.5	+0.1

CANADA

TORONTO
Prices at 2.30pm April 1

Sales	Stock	High	Low	Close	Chng
105266	AMCA Int	$11¼	11	11	−⅜
20210	Abitibi Pr	$39½	39	39¼	−¼
13800	Agnico E	$32½	32⅛	32½	−⅛
24060	Albrta En	$18⅝	18⅜	18½	−⅛
1100	Albrta N	$15⅝	15⅝	15⅝	+⅛
154540	Alcan	$50	48	49½	+¼
700	Algo Cent	$21⅝	21⅛	21⅛	−⅞
3722	Algoma St	$15⅞	15½	15¾	+¼
14500	Asamera	$13½	13¼	13½	
8298	Atco I f	$10½	10¼	10¼	−¼
337	Atco II	$10⅜	10¼	10¼	+⅛
6100	BC Sugar A	$27¼	26⅞	26⅞	−½
5007	BGR A	$12¼	12	12	
2400	BP Canada	$41½	41¼	41½	+¼
6800	Banister C	$9⅛	9	9	−¼
30437	Bk BCol	78	76	78	+1
69653	Bk Montl	$33⅞	33⅛	33⅝	−⅝
57481	Bk NScot	$18⅝	18½	18⅝	−⅛
142757	Bell Can	$42⅝	41⅞	42⅛	
112601	Bow Valy	$18¼	17¾	18⅛	+⅜
12000	Bralorne	210	200	200	−10
950	Bramalea	$27⅜	27¼	27¼	
43132	Brascan A	$37¼	36¾	37¼	
142125	Briwater	$9⅝	9⅜	9⅝	+⅛
74619	BC ForP	$20¼	20	20	−¼
6190	BC Res	117	115	115	−2
11569	BC Phone	$29	28⅝	29	+⅜
2200	Brunswk	$13¾	13½	13½	−⅜
24040	CAE	$12	11¾	11⅞	−⅛
11996	CCL B f	$14½	14¼	14¼	−¼
4762	CIL	$30½	30⅛	30½	+⅛
28975	Cad Frv	$35⅛	33⅞	34⅞	−2¼
25127	Camp RLk	$37⅜	37	37	
6900	Camp Res	290	280	280	
902	Camp Soup	$21⅜	21¼	21¼	+⅛
58900	Campeau I	$33¾	31	33⅛	+2⅛
143	CCem ex p	$16⅜	16⅝	16⅝	−⅛
59055	CDC f	$10⅛	10	10	
1400	Can Malt	$20¼	20½	20½	+⅜
4070	C Nor West	$18	17½	17½	−⅛
6300	C Packrs	$16½	16⅛	16½	
100	CS Pete f	$5⅝	5⅝	5⅝	−⅛
1400	Can Trust	$72¼	71¾	71¾	+¼
2726	Cdn GE	$24	24	24	
200	CG Invest	$52½	52½	52½	+½
132649	CI Bk Com	$21¾	21¼	21½	⅜
54400	C Marconi	$21	20¾	21	
6772	C Ocdental	$33¼	32½	32½	½
372201	CP Ltd	$25	24⅞	24⅞	+⅛
36805	CTire A f	$16¼	16	16¼	
14220	CUtil A f	$21	20⅞	20⅞	
700	CUtil B	$20¾	20¾	20¾	−¼
19800	Canfor	$30⅜	30⅛	30⅛	−⅛
100	Canron A	$17¼	17¼	17¼	+¼
950	Cara	$12⅞	12⅞	12⅞	+¼
700	Cara A f	$11⅞	11½	11⅞	+⅛
1035	Carl OK	$17¾	17¾	17¾	
62254	Carma A	16½	15	16	+1
1119	Celanese	$20¾	20⅝	20¾	−¼
28300	CentFd A	$9	8⅞	8¾	
170	Centrl Tr	$22½	22½	22½	
2400	Chieftan	$12	12	12	−¼
53058	Cominco	$17¼	16⅞	17	+⅛
5092	Computlog	$7⅞	7	7⅞	+⅞
4800	Comput In	335	330	335	−5
2000	Comterm	100	100	100	−5
28012	Con Bath A	$19¼	19	19¼	+⅛
30900	CDistb B f	$5⅛	5	5⅛	+⅛
1326	Cons Gas	$28	27¾	27¾	+⅛
100	Con Glass	$26⅛	26⅛	26⅛	
5070	CTL Bank	$17⅛	17⅛	17⅛	
4219	Conwst B	$14¼	14	14	−½
250	Corby	$20½	20½	20½	−½
14850	C Falcon C	$22¾	22¼	22¼	−½
47151	Coseka R	90	87	90	+4
2993	Costain Ltd	$14½	14¼	14½	
600	Crownx	$23	22½	23	
24199	Crownx A f	$10½	10	10⅛	+¼
19400	Czar Res	227	220	225	+5
11200	Denison A p	$9¼	8	8⅛	
2200	Denison B f	$9⅜	9⅜	9⅜	
14100	Develcon	340	320	340	+20
73600	Dickmn A f	$13⅞	13⅛	13⅛	−⅜
1100	Dickmn B	$13⅛	13½	13½	−¼
12455	Dofasco	$25⅞	25⅞	25⅞	+¼
232541	Dome Mine	$16¾	16⅜	16½	−⅛
180587	Dome Pete	107	103	103	−7
58432	D Textile	$19½	18¾	19½	+1
2812	Domtar	$43⅜	43¼	43¼	−¼
39800	Donohue	$38½	35⅞	36⅞	−⅛
1000	Du Pont A	$53	52	52	−1
20550	Dylex A	$16⅞	16⅛	16⅛	−⅛
2110	E-L Fin	$63	63	63	
41980	Echo Bay	$52½	51⅛	52	+1
300	Emco	$14⅞	14½	14½	−½
67000	Equity Svr	$9¾	9⅛	9⅝	+⅛
125190	Fcnbrdg	$19⅛	18⅞	19¼	+¼
54204	Fed Ind A	$17⅞	17½	17¾	−⅛
1900	Fed Pion	$13⅞	13⅛	13⅞	−⅛
2600	FCity Fin	$17¾	17⅝	17¾	+⅛
250	Ford Cnda	$164	164	164	+1¼
3800	Gandalf	$12½	12⅛	12⅛	−⅜
4300	Geac Comp	165	160	165	
200	Gendis A	$18⅝	18⅝	18⅝	⅛
2500	Gibrltar	$9⅝	9½	9⅝	⅛
23350	Goldcorp f	$10¼	9¾	10⅛	
100	Grafton A f	$18	18	18	−¼
400	GL Forest	$42	41½	41½	
2600	Greyhnd	$27⅜	27¼	27¼	
4150	GuarPA f	$15½	15¼	15¼	⅛
95284	Gulf Can	$28¼	27¾	27¾	−⅜
4372	Hayes D	$11⅞	11⅝	11¾	+⅛
6550	Hees Intl	$34¾	34⅜	34¾	+⅝
3130	H Baylin s	$9⅝	9⅜	9⅝	+¼
72120	H Bay Co	$28⅜	27⅞	28	¼
32984	Husky Oil	$11¾	11⅜	11⅞	
20567	Imasco	$37⅝	37⅜	37⅜	+⅛
23504	Imp Oil A	$66½	65⅞	66½	+½
77033	Inco	$21¼	20⅞	21	+⅛
1200	Indal	$15⅝	15⅝	15⅝	−⅜
700	Inland Gas	$13⅞	13¾	13⅞	
5700	Innopac	$12¼	12	12⅛	+⅛
4560	Inter City	$18	17⅞	18	−¼
28365	Intl Thom	$16½	16¼	16⅜	−⅛
5250	Intpr Pipe	$47⅞	47⅜	47⅜	−¼
1129	Ipsco	$11	10¾	10¾	+⅛
17500	Ivaco A f	$17⅞	17½	17½	
100	Ivaco B	$17½	17½	17½	−⅜
28010	Jannock	$43¼	42⅞	43¼	+½
3526	Kerr Add	$25¼	25	25¼	+⅛
2600	Kiena Gld	$36¼	35⅜	36	−⅜
19550	Labatt	$25⅜	25	25¼	−½
35323	LL Lac	$40⅞	40⅛	40⅞	−½
81840	Lacana	$17⅛	16¼	16½	−⅜
18686	Laidlaw A	$29	28¼	29	+⅜
184045	Laidlw B f	$27⅞	26½	27¼	+½
7100	Leigh Inst	$5¼	5⅛	5¼	+⅛
4920	Loblaw Co	$14⅞	14⅝	14⅞	+⅛
2203	Lumonics	$8¼	8⅛	8¼	+⅛
1825	MICC	$13¼	13	13¼	+¼
6650	Mclan H X	$21¼	20⅞	21¼	
1300	Mcln HY f	$19⅜	19	19	−½
36044	Macmilan	$77	75¾	76½	−½
12644	Magna A f	$31¼	30	31	−⅜
3060	Maritime f	$16¼	16⅛	16⅛	−⅛
200	Mc Intyre	$42⅜	42⅜	42⅜	
20825	Minrl Res	320	310	320	
11650	Mitel Corp	$7⅞	7⅜	7⅜	⅛
14857	Molson A f	$26	25⅞	25⅞	
107	Moneco A f	380	380	380	
200	MCity Bk	$22	22	22	
13455	M Trusco	$15⅜	15⅜	15⅜	
54873	Moore	$33⅝	32⅞	33¼	⅛
33902	Nat Bk Can	$16½	16⅛	16⅜	
2300	Nl Vg Trco	$24⅞	24⅜	24⅜	⅛
101725	Nfl CapA f	$11	10⅞	11	
598	Nfld LP A	$20¼	20	20¼	
84827	Noranda	$29½	29	29⅛	−⅛
42201	Norcen	$23⅛	22⅝	22⅝	−⅛
2651	Norcn ord f	$20	19⅝	19⅝	−¼
400	NC Oils	$14⅝	14½	14⅝	+⅛
73509	Nor Tel	$53⅜	52	53⅜	+⅜
26835	Northgat	$10⅛	10	10	
756910	Nva AltA f	$9⅜	9⅛	9⅛	−⅜
16400	Nowsco W	$18⅝	18⅜	18⅝	+¼
68509	Nu West	47	46	47	+1
2525	Numac	$10½	10⅜	10½	
1808	Oakwood	$25	315	315	5
3733	Oakwd A f	145	141	145	
7000	Ocelot B f	$5⅜	5	5¼	⅛
1000	Omega Hyd	$7⅞	7¾	7⅞	
13850	Oshawa A f	$21¼	20⅞	21¼	+¼
75528	PacW Airl	$26⅜	26⅛	26½	−⅜
89140	Pgurin A f	$17⅞	17	17¼	−⅛
2100	Pamour	$15½	15¼	15¾	−⅛
4150	PanCan P	$33⅜	33⅛	33⅛	−⅛
43204	Pegasus	$25⅛	24¾	25	+¼
2510	PJewl A f	$13½	13¼	13¼	−½
410	Pine Point	$10¾	10½	10¾	+½
67542	Placer D	$44¼	43⅝	43⅝	
13050	Poco Pet	$15¼	15¼	15⅛	−½
52155	Powr Cor f	$19⅛	19	19¼	
6500	Precamb	340	330	330	−5
1877	Provigo	$21⅜	21⅛	21¼	+¼
19200	Que Sturg	$6⅛	5¾	6	+⅛
100	Que Tel	$15⅞	15⅞	15⅞	+⅜
29580	Ranger	$6⅜	6¼	6⅜	−⅛
12700	Rayrock f	$10⅜	10¼	10⅜	+⅜
38200	Redpath	$14⅜	14¼	14½	
16100	Regionl R	310	280	280	−30
25100	Reitman A f	$26⅝	26½	26½	−¼
3400	Rio Algom	$23½	23¼	23⅜	+⅛
300	Rogers A	$22⅞	22½	22½	−⅜
49675	Rogers B f	$22¼	21½	21⅝	−⅝
300	Roman	$16½	16½	16½	−¼
100	Rothman	$65⅞	65½	65½	
30215	Royal Bnk	$33⅞	33½	33⅞	+⅛
21540	RyTrco A	$34¼	33⅞	33⅞	−¼
257134	Royex	$6½	6	6	−⅛
303	SHL Syst	$28⅝	28⅜	28⅝	−⅛
4100	StL CemA f	$26⅛	25⅞	26⅛	+½
13400	Sceptre	435	410	435	+15
200	Scot Paper	$19½	19½	19½	
2300	Scotts I	$13¾	13⅝	13⅝	−¼
1200	Scotts C	$14¼	14½	14¼	+⅛
35825	Seagram	$98	96½	98	+¼
6430	Sears Can	$12⅞	12½	12⅝	−⅛
800	Selkirk A f	$22⅛	22⅛	22⅛	
20229	Shell Can	$39½	39¼	39⅛	−⅜
3910	Sherritt	$7⅜	7	7	
630	Sigma	$18	18¾	19	+¼

F—No voting rights or restricted voting rights.

MONTREAL
Closing prices March 31

Sales	Stock	High	Low	Close	Chng
29973	Bank Mont	$34	33½	34	+¼
3615	BombrdrA	$26¼	25⅞	26¼	+¼
104459	BombrdrB	$26⅜	25⅞	26¼	+½
1250	CB Pak	$22⅝	21⅞	22⅜	+½
34207	Cascades	$13⅜	13¼	13½	−⅛
100	CIL	$30⅛	30⅛	30⅛	−⅛
19660	ConBath	$19⅜	18⅞	19¼	+½
1806	DomTxtA	$18¾	18½	18½	−¼
5355	MntTrst	$15⅞	15¾	15¾	−¼
135408	NatBk Cda	$16⅜	16	16⅜	+⅛
25861	Noverco	$14	13¾	13⅞	
140164	Power Corp	$19½	18¾	19⅛	+¼
9362	Provigo	$21½	21	21¼	−⅛
3950	RollandA	$19⅛	18¾	18⅞	−⅛
400	RollandB	$24	24	24	−⅛
44947	Royal Bank	$33⅞	33¼	33⅞	+½
2100	SteinbrgA	$41	40½	40½	−⅜

Sales 9,021,438 shares

Indices

NEW YORK—DOW JONES

	April 1	March 31	March 30	March 27	March 26	March 25	1986/87 High	1986/87 Low	Since Compilation High	Since Compilation Low
Industrials	2,288.02*	2,304.69	2,278.41	2,335.89	2,372.59	2,363.49	2372.59 (26/3/87)	1502.29 (22/1/86)	2372.59 (26/3/87)	41.22 (2/7/32)
Transport	929.91*	918.69	915.21	935.44	951.18	940.01	958.21 (6/3/87)	686.97 (8/1/86)	958.21 (6/3/87)	12.32 (8/7/32)
Utilities	209.76*	212.59	212.17	217.07	218.71	220.89	227.83 (22/1/87)	188.47 (22/1/86)	227.83 (22/1/87)	10.5 (8/4/32)
Trading vol		171.78m	208.44m	184.48m	188.84m	171.34m	-	-	-	-

	March 27	March 20	March 13	Year Ago (Approx)
Ind Div Yield %	2.88	2.86	2.86	3.54

STANDARD AND POORS

	April 1	March 31	March 30	March 27	March 26	March 25	1987 High	1987 Low	Since Compilation High	Since Compilation Low
Industrials	334.63*	335.53	332.39	340.34	340.81	340.82	346.59 (24/3/87)	224.68 (22/1)	346.59 (24/3/87)	3.62 (21/6/32)
Composite	289.86*	291.70	288.29	295.13	296.65	300.38	301.84 (24/3/87)	283.48 (22/1/86)	301.84 (24/3/87)	4.40 (1/6/32)

	March 25	March 18	March 11	Year Ago (Approx)
Ind div yield %	2.44	2.50	2.53	3.36
Ind. P/E Ratio	22.16	21.85	21.31	16.89
Long Gov Bond Yield	7.57	7.38	8.27	8.86

N.Y.S.E. ALL COMMON

April 1	March 31	March 30	March 27	1987 High	1987 Low
164.55*	165.88	164.86	168.37	170.88 (24/3/87)	117.75 (22/1)

RISES AND FALLS

	March 31	March 30	March 27
Issues traded	1,951	1,992	1,973
Rises	[illegible]	222	454
Falls	[illegible]	1,521	1,128
Unchanged	397	239	394

TORONTO

	April 1	Mar 31	Mar 30	Mar 27	1987 High	1987 Low
Metals & Minls	2,571.4*	2,595.5	2,580.1	2,641.2	2,674.6 (26/3/87)	1,817.4 (5/1)
Composite	3,736.2*	3,738.5	3,727.5	3,805.2	3,842.1 (23/3/87)	2,764.9 (17/2)
MONTREAL Portfolio	1,830.75*	1,844.3	1,841.7	1,879.5	1,918.8 (23/3/87)	1,398.8 (22/1/87)

* Indicates pre-close figure

	Apr. 1	Mar. 31	Mar. 30	Mar. 27	1986/87 High	1986/87 Low
AUSTRALIA All Ord. (1/1/80)	1681.1	1698.9	1711.5	1680.9	1711.5 (30/3/87)	1018.8 (2/1/86)
Metals & Mnls. (1/1/80)	815.2	860.9	824.9	874.2	824.9 (30/3/87)	481.1 (20/1/86)
AUSTRIA Creditbk Aktien (30/12/64)	196.20	197.42	200.46	200.55	265.84 (25/4)	196.20 (1/4/87)
BELGIUM Brussels SE (1/1/84)	4369.49	4325.77	4410.64	4466.91	4551.25 (24/3/87)	2786.81 (15/1/86)
DENMARK Copenhagen SE (3/1/83)	(u)	198.18	199.74	200.86	280.76 (13/4)	198.25 (11/11)
FINLAND Unitas Genl. (1975)	502.5	505.8	502.9	488.8	505.8 (31/3/87)	286.5 (2/1/86)
FRANCE CAC General (31/12/82)	454.4	446.7	454.7	458.8	480.4 (26/3/87)	287.8 (2/1/86)
Ind Tendance (31/12/86)	114.5	113.8	115.8	116.4	117.2 (26/3/87)	97.8 (2/1/87)
GERMANY FAZ Aktien (31/12/58)	(u)	589.96	581.65	587.18	755.60 (17.4)	569.22 (18/3/87)
Commerzbank (1/12/53)	1852.9	1799.5	1782.8	1775.4	2278.5 (17.4)	1655.8 (19/3/87)
HONG KONG Hang Seng Bank (31/7/64)	2665.97	2715.61	2774.98	2795.74	2820.88 (5/3/87)	1559.84 (18/3/86)
ITALY Banca Comm. Ital. (1972)	719.98	719.89	711.48	719.58	903.29 (9/5)	464.07 (24/1/86)
JAPAN** Nikkei (16/5/49)	22240.8	21566.7	21627.0	22056.8	22178.0 (28/3/87)	12881.8 (21/1/86)
Tokyo SE New (4/1/68)	1992.24	1971.16	1895.29	1922.06	1929.89 (28/3/87)	1025.85 (21/1/86)
NETHERLANDS ANP-CBS General (1970)	279.5	277.8	286.5	290.4	301.8 (5.5)	248.4 (3/5/86)
ANP-CBS Indust (1970)	254.9	252.8	254.1	255.7	303.9 (18/5)	224.8 (3/5/86)
NORWAY Oslo SE (4/1/83)	(u)	411.40	412.86	415.44	418.48 (25/3/87)	321.61 (4/6)
SINGAPORE Straits Times (30/12/66)	1045.98	1058.77	1075.48	1086.84	1088.28 (25/3/87)	595.54 (28/4)
SOUTH AFRICA JSE Gold (28/9/78)	—	1992.8	1877.0	1848.9	2121.9 (15/1/87)	1169.1 (21/4)
JSE Indust (28/9/78)	—	1740.0	1755.8	1723.9	1749.8 (11/3/87)	1016.5 (2/1/86)
SPAIN Madrid SE (30/12/85)	252.91	255.25	258.85	257.51	255.26 (23/3/87)	100.88 (3/1/86)
SWEDEN Jacobson & P (31/12/56)	2522.98	2535.56	2555.86	2574.86	2672.78 (7/11)	1723.57 (10/2/86)
SWITZERLAND SwissBankCpn (31/12/58)	585.9	585.1	586.4	586.1	616.5 (3/6/87)	467.2 (4/6/86)
WORLD MS.Capital Intl. (1/1/70)	—	435.4	436.2	441.5	441.5 (27/3/87)	246.8 (22/1/86)

** Saturday March 28: Japan Nikkei 22,178.0. TSE 1,926.89.
Base value of all indices are 100 except Brussels SE—1,000, JSE Gold—255.7, JSE Industrials—264.3, and Australia, All Ordinary and Metals—500; NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NYSE-Consolidated 1460 Actives

	Stocks Traded	3.00p.m. Price	Change on Day		Stocks Traded	3.00p.m. Price	Change on Day
[illegible]	4.13m	[illegible]	[illegible]	ATT	1.41m	23⅝	[illegible]
[illegible]	2.89m	21⅞	−2⅛	[illegible]	1.28m	18⅝	+ ½
[illegible]	2.19m	156½	+ ⅜	[illegible]	1.13m	17⅝	− ⅛
[illegible]	1.56m	57½	+ ⅛	[illegible]	1.12m	27⅛	− ⅛
[illegible]	1.45m	78⅝	+ ⅛	[illegible]	1.03m	21⅝	− ⅛

Advances 334 Declines 971

TOKYO – Most Active Stocks
Tuesday, March 31, 1987

	Stocks Traded	Closing Price	Change on Day		Stocks Traded	Closing Price	Change on Day
Kobe Steel	169.99m	347	+39	Oji Paper	37.31m	1,810	+ 58
Tokyo Gas	114.47m	1,500	+88	Taisei Corp	36.88m	1,280	+180
Nippon Steel	98.18m	349	+17	Nippon Express	38.24m	1,600	+ 60
Nippon Kokan	42.75m	294	+19	Ishik.-Har Heavy Ind	27.98m	648	+ 32
[illegible]	39.79m	1,328	+80	Asahi Chemical Ind	27.19m	1,130	− 28

LONDON – Most Active Stocks
Wednesday, April 1, 1987

	Stocks Traded	Closing Price	Change on Day		Stocks Traded	Closing Price	Change on Day
Brit Gas	28.2m	65½	− 2	Hanson Tr.	8.8m	184½	− 1½
Britoil	14.8m	143	+ 2	Hillsdown Hldgs	6.6m	253	−18
Gen Elect	12.8m	206	− 2	Shell Trans	5.7m	£12⅛	− ⅛
BP	10.0m	896	−10	Brit Airways	5.1m	129	− 2
TSB	8.4m	88	− ½	Brit Telecom	4.9m	249	− 2

LONDON Chief price changes
(in pence unless otherwise indicated)

RISES:		
Berkeley Gr	338	+ 28
Berisf. (S.&W.)	264	+ 7
Blenh. Exhibi	218	+ 6½
Cent Norsem	960	+150
Debfor	255	+ 9
Stakis	112	+ 9
Sun Alli	813	+ 36
Sun Life	£10¼	+ ⅜
Thorn EMI	642	+ 17
Utd Leasing	261	+ 30
Vinten	169	+ 6

FALLS:		
AB Electronic	372	− 51
Asset Trust	88	− 15
Beazer (C.H.)	232	− 10
Brit. Aerospace	621	− 13
Brit. & Comm.	432	− 13
BP	896	− 19
Bunzl	221	− 6½
Caffyns	385	− 25
Cowie (T.)	373	− 17
Dixons	377	− 13
Fisons	616	− 20
Green Whitl	219	− 8
Smurfit (Jeff.)	435	− 20
Kleinw Benson	492	− 28
LASMO	246	− 8
Lond Intl.	286	− 12
RTZ	798	− 20
Simm Eng	353	− 20
Thames TV	470	− 20

OVER-THE-COUNTER
Nasdaq national market, 2.30pm prices

Continued from Page 47

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
33 5/8	20 1/8	AAR s	.50	1.5	23	42	33 1/4	32 3/4	33	-1/2
37	21 7/8	ADT	.82	2.7	20	1355	34 3/4	34 3/8	34 5/8	-1/4
41 1/2	23 5/8	AFG	.12e	.3	11	510	36 1/2	36 1/8	36 3/8	-1/2
40 1/4	16 3/4	AGS			20	397	34 3/4	34	34 3/4	-5/8
14 1/4	6 3/4	AMCA				20	8 5/8	8 5/8	8 5/8	-1/4
9 3/8	4 7/8	AM Intl				643	8 5/8	8 1/8	8 1/8	-3/8
62 1/8	47 1/4	AMR			11	7549	58	61 7/8	62 7/8	+5/8
27 1/2	25	ANR pf	2.67	10.		6	26	26	26	-1/4
12 7/8	8	ARX s			12	178	10 1/2	10 1/4	10 1/4	-1/4
63 7/8	28 3/4	ASA	2a	3.4		1468	60 3/4	58 3/4	59 1/4	+1/8
17 1/8	9 3/4	AVX		1.8		570	u17 1/2	16 5/8	17 3/8	+1/4
32 3/4	26 1/2	AZP	2.72	8.9	10	1262	30 1/2	30 1/8	30 1/2	-3/8
67	38 3/4	AbtLb s	1	1.6	27	4449	63	59 1/4	63	+2 3/4
34	25	AccoWd .62		2.0	20	129	32	31 5/8	31 3/4	-1/8
14 5/8	9	AcmeC .40		3.3	23	320	12 1/4	11 3/4	12 1/4	
8 1/2	6 1/8	AcmeE .32b		4.1	27	14	7 7/8	7 3/4	7 7/8	
23 7/8	16 3/4	AdaEx 3.42e		16.		101	22	21 5/8	21 7/8	
19 1/2	11 5/8	AdmM s .24		1.3	14	64	18 3/4	18 1/8	18 1/8	-3/4
21 1/2	12 1/8	AdvSys .62t		3.1	16	334	20 1/4	19 5/8	20 1/4	-1/4
31 1/2	12 7/8	AMD				7917	20 7/8	19 3/8	20 3/8	+1/2
49 7/8	49 3/8	AMD pf	3	6.0		563	u50 1/2	49 1/2	50 1/4	+3/8
10 5/8	5 1/4	Adobe				198	10 1/8	9 7/8	9 7/8	-1/4
20 1/2	13 3/4	Adob pf	1.84	9.4		56	20	19 5/8	19 5/8	-3/8
21 7/8	18 3/8	Adob pf	2.40	11.		78	21 3/8	21	21	-1/4
16 5/8	11 1/2	Advest .12a		.9	11	54	13 1/8	12 7/8	13 1/8	-1/8
68 1/4	53	AetnLf 2.76		4.5	10	4770	62 1/8	61 1/4	61 3/4	-1/8
54	51 1/8	AetL pf	2.81e	5.4		2	51 7/8	51 7/8	51 7/8	+1/8
50 3/4	21 7/8	AfilPb s .32		.7	24	378	45 3/4	44 1/2	45 1/4	+3/8
28 3/4	18 7/8	Ahmns s .88		3.6	7	8468	24	23	23 1/8	-1 1/8
5 3/4	2 7/8	Aileen				341	5 3/8	5 3/8	5 1/4	
48 1/2	29 3/8	AirPrd s .80		1.8	369	1075	44 1/2	44	44 1/4	-1/2
35 1/4	16	AirbFrt .60		1.8	15	1133	33 5/8	32 7/8	33 5/8	+3/8
12	7 3/8	Airgas n				115	11 3/8	10 7/8	11	
20 3/8	17 1/8	Alrlse n	1.09e	5.6		59	18 1/2	18 3/8	18 1/2	+1/8

Continued on Page 47

هكذا صدر الأصل

NYSE COMPOSITE CLOSING PRICES

Continued from Page 46

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	12	PeryDr	.22	1.6	38	222	13⅝	13¼	13⅜	−¼
35¾	23¾	Petrie	.70	2.3	20	473	31⅛	30¾	31	−¼
21¼	19⅞	PtPar n				525	20⅝	20¼	20½	
33	24⅝	PetRs	2.57e	7.9		85	32⅝	31⅞	32⅝	
20	15⅞	PetRs pf	1.57	8.3		41	18⅞	18⅝	18⅞	
3	1	Prtnw	.20e	18.		4	1¼	1⅛	1⅛	+⅛
77	55⅝	Pfizer	1.80	2.5	18	2646	72¾	71⅝	72¾	+⅜
32⅛	18	PhelpD			30	1986	31¾	31⅜	31½	−⅝
63	48¾	Phelp pr	5	8.7		216	58⅞	57¼	57¼	−1⅝
26	17⅞	PhilaEl	2.20	10.	8	12724	22	20⅞	22	+⅞
43⅞	34	PhE pfA	3.80	9.7		z400	40¼	39	39	−2
49⅝	38	PhE pfB	4.30	9.2		z100	46½	46½	46½	+1
48	38	PhE pfC	4.40	9.7		z330	45¾	45½	45½	−½
87⅛	61	PhE pfE	7	8.5		z270	83½	82¼	82¼	−2¼
106	100½	PhE pfS	9.50	9.2		z3200	103	101	103	
13⅞	11⅝	PhE pfR	1.41	11.		87	12⅝	12¼	12⅝	
126	113	PhE pfO	14.63	12.		0	122	122	122	−¼
13¼	10⅞	PhE pfP	1.33	11.		245	11⅞	11½	11⅝	−¼
88⅝	69½	PhE pfR	7.85	9.7		z200	82¼	81	81	−3
12⅞	10⅝	PhE pfO	1.28	11.		287	12½	11¼	11½	+¼
134¼	110¼	PhE pfN	17.13	15.		z2000	111	110½	110½	
124	110	PhE pfM	15.25	14.		z440	112	110⅝	112	+1⅝
105	89	PhE pfL	9.52	9.4		z300	101⅞	101⅝	101⅞	
103	84	PhE pfK	9.50	9.7		z1750	98¼	98⅛	98⅛	
88	69	PhE pfJ	2.80	9.8		z1440	82	80	81	−2¼
85	68	PhE pf	7.75	9.8		z130	80	79	79	−2
18¼	12⅝	PhilSub s	.94	5.6	14	682	17	16⅝	16⅞	−⅛
91¼	54¼	PhilMr s	3	3.5	14	9899	85½	83¼	84⅞	−¼
22	13	Philipl s	.36	1.7	19	2215	21⅛	18¾	21¼	+2
18¼	8¼	PhlPet	.60	3.8	18	8749	16⅞	15⅝	16	+⅛
24¾	19¼	PhlPt pf	1.87e	7.6		58	24⅝	24½	24½	
45½	33⅝	PhlVH	.40	.9	16	273	42⅞	42¼	42⅞	+⅛
13½	7⅞	Phlcrp n				121	8¼	8⅛	8⅛	

X Y Z

77¼	49⅝	Xerox	3	3.9	20	6972	76⅞	75	76⅝	+⅝
58¼	55	Xerox pf	5.45	9.8		47	55⅞	55⅝	55⅝	−⅛
29¾	21½	XTRA	.64	2.6		102	25	24⅝	25	+⅜
21¼	13½	Yorkin n			23	120	20¼	19⅞	20¼	+¼
6	2¼	Zapata				124	3¾	3⅝	3¾	+⅛
43⅞	20¾	Zayre s	.32	1.2	18	3584	27⅝	26½	27¼	−⅜
14¾	9¾	Zemex	.40	2.9	9	35	13⅞	13⅝	13⅞	+¼
29⅞	18⅞	ZenithE				2177	25⅞	24⅞	25⅞	+¼
18¼	8	ZenLb s				2485	12⅞	11⅞	12⅝	+⅛
21	12⅝	Zero	.35	1.6	20	92	18⅝	18¼	18⅝	+⅛
51½	32¾	Zurnin	1.32	2.7	19	190	50	49	49½	+⅛
10⅝	8¾	Zweig n	.10e	1.1		759	9½	9⅜	9¼	

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a-dividend also extra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls – sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-divident or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE CLOSING PRICES

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Continued on Page 45

FINANCIAL TIMES

WORLD STOCK MARKETS

AMERICA

Prime rate rise fails to upset stability

WALL STREET

SHOWING a cautious stability, Wall Street stock and bond prices held their ground yesterday in the face of the first increase in three years in bank prime lending rates, *writes Roderick Oram in New York.*

Recovering from a sharp sell off late on Tuesday and overnight in the Far East, bond prices gained about ¼ a point from the New York opening although retail buying interest was thin.

The Dow Jones industrial average closed up 11.36 at 2,316.05. It had opened sharply with losses of about 25 points but recovered substantially in the first hour and a half before drifting through most of the rest of the session before managing a modest rally in the last half hour.

Among the broader market indices, the Standard & Poor's 500 index closed up 0.68 at 292.38 and the New York Stock Exchange composite index up 0.15 at 160.04. NYSE volume was moderately quiet at 171.8m shares with declining shares outpacing gains by two to one.

Many analysts took the view that the prime rate increase reflected only a small upturn in banks borrowing costs and did not forshadow a tightening of Federal Reserve policy. A substantial number of economists believe, however, that interest rates could head a little higher later on this year. Institutional investors were conspicuously absent from the bond market, and to some extent stock markets, yesterday while they waited for a clearer picture to emerge.

The rise in prime lending rates led stocks in sectors such as banking, savings and loans, insurance and utilities were generally lower because of the impact of higher interest rates.

Among the major money centre banks shortly before the close, Citicorp was up $⅛ to $50⅝, Chase Manhattan fell $⅜ to $38, Manufacturers Hanover added $⅛ to $42⅝, BankAmerica was off $⅛ to $11⅝, Marine Midland fell $⅛ to $46⅝, Chemical was unchanged at $43⅞ and J. P. Morgan gave up $⅝ to $42½.

In the insurance sector, Aetna dropped $⅛ to $61⅝, CIGNA, fell $⅝ to $61⅝, Travelers gave up $⅝ to $46⅝ and Marsh & McLennan fell $⅛ to $63⅞ although American International Group added $⅛ to $73. Orion Capital fell $2⅛ to $24⅝ after reporting more than doubled losses for the fourth quarter.

Pacific Gas & Electric was one of the most active issues with 3.7m shares traded. It dropped $2 to $22⅝ after it indicated that its profits could be halved by accounting changes concerning its Diablo Canyon nuclear power station. Philadelphia Electric fell $⅛ to $21⅝. Regulators closed one of its nuclear power plants after operators were found asleep on the job.

In the takeover area, Purolator Courier jumped $5⅞ to $40⅝ after Emery Air Freight, up $⅝ to $13⅛, launched a $40 a share bid. It topped an earlier $35 a share management buyout proposal.

Revlon added $⅝ to $19⅝ on heavy volume after MacAndrews & Forbes, a privately held company controlled by Mr Ronald Perelman, chairman of Revlon, began a $18½ a share offer for the shares in the cosmetics group it does not already own.

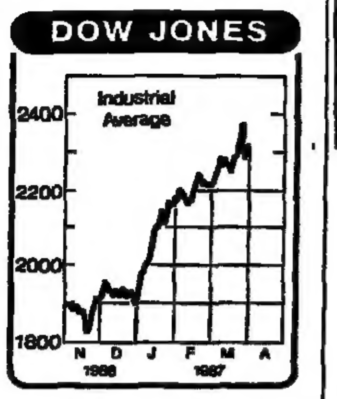
CPC fell $⅝ to $49⅝. The food group said it was taking Ajinomoto, a Japanese company, as a partner in its Far East grocery business. Ajinomoto would take full equity control of CPC's Japanese assets.

Delta Air Lines, up $1⅛ to $56⅝, completed its takeover of Western Airlines after a judge lifted his restrictions.

Credit markets recovered partially from their setback late on Tuesday when banks surprised investors by raising their prime lending rates. Bond prices rose slowly through the morning, taking the benchmark 7.50 per cent Treasury long bond up ⅜ of a point to 95⅞ at which it yielded 7.89 per cent.

Investors were taking a cautious view yesterday, waiting to see what trend will develop on interest rates.

DOW JONES



CANADA

EARLY losses caused by concern over the fall in US prime lending rates were partially retrieved towards midday, to leave Toronto prices lower overall.

Gold and other mining stocks were among few exceptions to the fall. International Corona Resources rose C$3⅛ to C$46⅛ on news that Royex Gold sought to boost its stake in the group to 50 from 38 per cent. Royex added C$⅛ to C$6⅝.

Dome Petroleum lost 5 cents to C$1.05 after revealing its C$2.2bn loss for 1986. Other oils were also easier, with Texaco Canada C$⅝ down at C$33⅛, Shell Canada C$⅝ easier at C$38⅝ and Ranger Oil down C$⅛ to C$6⅝.

Among active blue chips, Alcan added C$⅛ to C$49⅝ and Canadian Pacific was C$⅛ higher at C$25⅛.

Montreal stock prices eased gently, Vancouver continued its gentle rise.

Tim Dickson reports on the Belgian glass maker's offer for sale

Glaverbel floats to success

AN OVERWHELMING public response to its offer for sale was announced yesterday by Glaverbel, the Belgian company which is Europe's third largest manufacturer of float glass.

The offer of 840,000 shares at Bfr 1,850 ($50) each had been roughly 120 times oversubscribed and that as a result applications had been considerably scaled down. For example, those who asked for 100 shares get nothing, those seek between 101 and 500 only receive 5 shares, and those requesting 5,001 and above only qualify for 30 shares.

A company spokesman added, "The success has exceeded our best expectations. It shows that investors have faith in us."

Glaverbel's public offer coincided with a period of sharp increases in Belgian share prices though the Brussels stock exchange has fallen back this week. The glass company's shares were also priced conservatively, partly due to the low dividend and partly because the group did not wish to risk disappointing its new investors.

Glaverbel is the European part of the Japanese Asahi Glass Group, whose shareholding has been reduced from 73.6 to just over 56 per cent of the total following the latest operation. Belgian institutions and the regions of Flanders and Wallonia hold about 22.5 per cent between them with the staff and public now accounting for just over 20 per cent.

Glaverbel, which is likely to be capitalised at around BFr 8.3bn when dealings open next week, recorded turnover of BFr 18.384bn and net profits of BFr 542m ($14.6m) in 1986.

EUROPE

Frankfurt rebounds as confidence trickles back

INSTITUTIONAL and foreign investors returned with renewed confidence to almost all European bourses to support a widespread recovery from the nervous retreats earlier in the week.

Frankfurt made a confident advance on strong local and foreign, particularly Japanese, buying. Banks and financial institutions led a spree which took the mid-session Commerzbank index up 51.5 to 1,832.0, the year's best jump. Fears of a technical adjustment later pared this gain.

Banks and chemicals led the way, consolidating Tuesday's gains. Commerzbank was DM 8.50 stronger at DM 284 despite revealing that profits in the first two months of 1987 have slipped from the record 1986 levels. Deutsche Bank continued its rise, by DM 9 to DM 687, as did Dresdner, by DM 7.50 to DM 359. BHF was up DM 6 to DM 441.

In chemicals, BASF put on DM 7.40 to DM 278, Bayer added DM 9.50 to DM 319 and Hoechst was DM 5.60 stronger at DM 281.60.

Cars also featured well, with VW up DM 10 to DM 361 as its credit bank subsidiary VAG announced higher 1986 turnover. Daimler rose again, by DM 29.50 to DM 1027.50, and BMW was DM 17.50 up at DM 536.

Steel share Thyssen edged up 90 pfennigs to DM 122.40 but said it expected turnover to fall by between 15 and 20 per cent for 1986/87.

Elsewhere, Siemens rose DM 17 to DM 689, metal group Degussa added DM 4.50 to DM 484.50, but Metallgesellschaft lost DM 1 to DM 299. Retailers and engineers both rose strongly, with Linde surging DM 33 to DM 692.

Brussels rose amid busy buying, notably in recently depressed insurance shares. The Brussels SE index closed up 37.32 at 4,360.49.

Royale Belge led the insurers' recovery, jumping BFr 350 to BFr 5,300 after announcing a 47 per cent rise in profits. AG bounced back BFr 405 to BFr 5,490.

Metal stocks continued their good form, with Vieille Montagne up a further BFr 200 at BFr 5,730 and Hoboken BFr 100 stronger at BFr 7,100. Glassmaker St Roch picked up BFr 120 to BFr 5,240, but quality oil stock Petrofina was BFr 60 weaker at BFr 9,990.

Banking group Bruxelles Lambert rose a marginal BFr 20 to BFr 3,020 and announced a 21 per cent rise in profits for 1986. The bank sector was mixed, with Générale de Banque steady at BFr 6,700. Kredietbank was BFr 20 down at BFr 4,380.

Amsterdam was mixed, with the effects of the firmer dollar offset by an afternoon retreat by investors cautiously awaiting Wall Street's response to the rise in US prime lending rates.

Internationals mirrored the uncertainty, with Unilever Fl 1 up at Fl 579.00, Royal Dutch Fl 1 down at Fl 239.10 and Akzo Fl 3 lower at Fl 140.90.

Hoogovens added Fl 2 to Fl 37.80 and said it had completed the takeover of Philips subsidiary Cirex. The group reports 1986 results today.

Zurich was mixed as the stimulus of a slightly firmer dollar was dampened by fears evoked by the rise in US prime rates.

Early gains in bank stocks were pared to leave Baer Holding SFr 200 lower at SFr 20,000 and Vontobel SFr 100 down to SFr 13,400. Bank Leu, however, added SFr 50 to SFr 3,375.

Insurers firmed. Helvetica, having announced higher profits and dividends, added SFr 50 to registered stock to SFr 4,125. La Suisse registered rose SFr 100 to SFr 7,600 and Zuerich bearer firmed by SFr 50 to SFr 7,400.

Employment group Adia firmed SFr 200 to SFr 10,900 on news of better-than-expected profits.

Chemicals eased, Ciba-Geigy registered and certificate by SFr 30 each to SFr 1,590 and SFr 2,270 respectively, and Sandoz by SFr 150 on bearer stock to SFr 11,200.

Paris was marginally higher as nervousness over US rates dampened early gains.

Media and advertising group Havas jumped 4 per cent, by FFr 85 to FFr 2,200, on the news that the French Government is set to take a "golden share" blocking interest when the group is privatised.

Elsewhere, Salvepar leapt FFr 105 to FFr 1,610 and Fichet-Bauche Ross also jumped FFr 66 to FFr 1,210.

Mining and pharmaceutical shares lost ground.

Milan rose in most sectors as investors grew optimistic that the month-old government crisis may soon be solved.

Blue chips made good ground. Fiat led the advances to close L420 higher at L12,880, Montedison was L50 up at L2,800 and Olivetti L80 firmer at L7,180. Snia BPD continued its rise, adding L69 to L4,780.

Insurers also did well, with blue chip Generali rising L1,300 to L134,950 and Toro making up L780 to close at L32,100. Banks, too, closed strongly, with Mediobanca hitting a new peak of L278,000, a rise of L900.

Madrid continued to fall, with only chemicals posting gains. Banks and construction shares were among the biggest fallers. Market leader Telefonica lost 0.25 points to 161.75 per cent of nominal market value.

Stockholm eased in dull trade in the wake of recent profit-taking. Boliden, however, rose SKr 10 to SKr 280. It said its takeover of Allied Chalmers made it the world's leading mining machinery equipment maker.

Oslo rose across the board, led by banks. Christiania Bank and Kreditkasse led the gains, up NKr 9.5 to NKr 193.88. Den Norske Creditbank was NKr 8 higher at NKr 161.00.

LONDON

INVESTORS backed away from London equities as they nervously awaited Wall Street's response to higher US prime lending rates, leaving prices significantly lower.

The FT-SE 100 index fell by 24.5 to 1,973.1 after having hit a trough of 1,961.7 earlier. The index has lost 3.7 per cent since Monday morning amid fears of a Japan-US trade war. The FT Ordinary index closed down 19.1 at 1,558.0.

Oil stocks and exporters were again among the biggest losers on uncertainty over the prospective alignments of the yen and dollar.

Government bonds were also unsteady and faded after a strong start based on the firmness of the US long bond in Japan. Details Page 44.

Hong Kong blocks new two-tier share issue structures

By David Dodwell in Hong Kong

HONG KONG'S stock exchange yesterday blocked the creation of new two-tier share structures as it emerged that proposals by three leading companies to create new categories of shares as a way of cementing existing shareholder control were about to release an avalanche of copy-cat applications.

Mr Ronald Li, chairman of the exchange, said: "What would be the use of opening the floodgates, with outstanding applications from maybe 50 or 60 companies? It would only have led to chaos."

Swift action was also probably prompted by a strong negative reaction to the two-tier proposals by stock market operators. This was in part responsible for a 70 point fall in the Hang Seng index – at one stage yesterday. Share prices rallied after the stock exchange statement, with the index ending the day just 17.90 points down at 2695.91.

The stock exchange will now seek legal opinion in the UK on the status of such two-tier share structures, and will not allow fresh applications until it has established a set of general principles on how to handle them.

First to move with plans to create new B shares was Jardine Matheson, Hong Kong's oldest trading group. These B shares are to have a lower nominal value than existing A shares, but will carry equal voting rights. The move is intended to insulate Jardine against predators as it begins to expand after three depressed years during which it has been vulnerable to takeover.

In Jardine's wake came Hutchison Whampoa and Cheung Kong, two Hong Kong groups controlled by Mr Li Kashing. Their proposals to introduce a similar two-tier share structure were unveiled on Tuesday.

Merchant bankers in Hong Kong said yesterday that they had been inundated by companies asking whether it would be possible to follow Jardine's lead. Interested companies are understood to include Sir Yue-Kong Pao's Wharf Holdings as well as World International, Sun Hung Kai, Henderson Land and Hang Lung Development.

"The folklore for many years in Hong Kong has been that two-tier share structures had been outlawed," said one leading merchant banker. He said the market's misunderstanding stemmed from the fact that in 1972, when Wheelock Marden and the Swire Group announced plans to create low-value B shares, there was such widespread controversy that no other company was then willing to follow suit.

It is ironic that a two-tier share structure did not protect the Wheelock group from predators. It was taken over by the Wharf group two years ago after a protracted battle for control with the Singaporean financier, Tan Sri Khoo Teck Puat.

Mr Li said after a meeting of the stock exchange's listing committee yesterday at which Jardine, Hutchison and Cheung Kong presented details of their proposals: "We are not certain of our own legal position on granting listing to these new categories of shares, and have to seek legal advice.

"It is not right to open the door and let ourselves get inundated. We just couldn't process the applications, we have to clear these three sets of proposals first. They are major companies, and it would not be right to look at the issue in a cavalier manner."

ASIA

Nikkei regains strength as fears recede

TOKYO

THE SHARP rally on Wall Street on Tuesday and the yen's dip gave relief to stock investors in Tokyo yesterday, and both institutional investors and individuals stepped up buying, *writes Shigeo Nishiwaki of Jiji Press.*

Share prices advanced sharply across the board, and the Nikkei average of 225 select issues chalked up the third-largest single-day gain of 473.52 to 22,040.18, recovering the 22,000 mark. Turnover increased from Tuesday's 1,202m shares to 1,657.55m. Gainers outpaced losers 570 to 305, with 117 issues unchanged.

Investors had feared that the intensifying Japan-US friction over chip trade and the yen's sharp appreciation would dampen the current bull market. However, the fears disappeared as New York prices rebounded and the yen eased. With the start of the new fiscal year, institutional investors, business corporations and the dealing sections of securities houses bought actively, expanding turnover.

Institutional buying shifted from giant-capital steels and shipbuildings to domestic demand-related stocks such as construction and real estate. Mirroring expectations of the Government's stepped-up public works spending, Ohbayashi Corp advanced Y80 to Y1,350 on trade of 39.78m shares. Taisei Corp jumped Y100 to Y1,200 and Kumagai Gumi Y30 to Y1,350.

Some issues related to construction also attracted buying, with Asahi Glass up Y170 to Y1,850 and Nihon Cement rising Y63 to Y1,040. Among real estates, Tokyu Land gained Y40 to Y940, Mitsubishi Estate Y70 to Y3,370 and Mitsui Real Estate Y190 to Y2,690.

Large-capital stocks remained busy, but their volume shrank considerably. Trading in Kobe Steel, the most active stock, came to only 188.90m shares but climbed Y30 to Y347. Nippon Steel, the third-busiest, added Y17 to Y349 and Nippon Kokan, which placed fourth, rose Y19 to Y294. Ishikawajima-Harima Heavy Industries closed Y32 higher at Y548.

Oils were also among sharp gainers, with Nippon Oil finishing Y80 up at Y1,360 and Arabian Oil Y260 up at Y8,900.

Some blue chips turned up thanks to the yen's decline. Matsushita Electric Industrial rose Y30 to Y1,400, Sony Y130 to Y2,890 and TDK Y110 to Y3,100.

Companies researching drugs against acquired immune deficiency syndrome (Aids) were mixed. Dainippon Pharmaceutical and Shu Sumitomo Chemical advanced Y110 to Y3,130 and Y27 to Y817, respectively, but Kaken Pharmaceutical lost Y40 to Y2,300 and Green Cross Y100 to Y2,870.

On the bond market, the yield on the 5.1 per cent government bond due in June 1996 plunged to an all-time low of 4.065 per cent, on purchases by Nomura Securities. But the yield then rose, closing at 4.085 per cent.

Observers said bond prices increased, despite successive prime lending rate raises by major US banks, because of strong expectations of an improvement in the supply-demand situation. Participants hope institutional investors with massive funds will change their investment targets from US to Japanese bonds because of rising US interest rates and the strong yen. But institutional investors remained on the sidelines.

SINGAPORE

THE RUN of profit-taking, combined with investor shyness caused by fears of a trade war between Japan and the West, continued to depress Singapore share prices. The Straits Times industrial index lost 12.83 to 1,043.94.

Blue chips bore the brunt of losses. Singapore Airlines fell 20 cents to S$11.20, Singapore Land also lost 20 cents to close at S$5.90 and Fraser and Neave was 10 cents off at S$9.70. Sime Darby dropped 10 cents to S$2.58.

Banks also tumbled. DBS lost 20 cents to S$11.60, while OCBC and UOB both lost 5 cents to S$9.45 and S$5.00 respectively.

City Developments lost 6 cents to S$3.38 after revealing a 13 per cent fall in group operating profit.

AUSTRALIA

THE WEAKER BULLION price depressed Sydney and trimmed 1.3 off the All Ordinaries index to 1,691.1.

Industrials turned weaker following several hectic sessions which saw sharp losses across the board.

Some gold issues moved against the weaker trend as Central Norseman jumped A$1.70 to A$21.20 on its 7-for-1 free scrip issue.

Gold Mines of Kalgoorlie split its shares five for one and closed at A$6.20 after finishing Tuesday's session at A$30.

BHP steadied at A$11.10 but Peko Wallsend which has risen on recent takeover speculation, slipped 10 cents to A$7.40.

HONG KONG

CONCERN over moves by Hutchison Whampoa and Cheung Kong to issue new share categories pulled Hong Kong prices lower in choppy trading. The Hang Seng index dropped 17.90 to 2,695.91 after having plunged almost 84 points in early trade.

Among companies affected by the new share issue, Cheung Kong lost 25 cents to HK$43.00, Hutchison shed HK$1.50 to HK$51.50 and Jardine Matheson was 30 cents down at HK$22.70.

Takeover rumours pushed Hongkong & Shanghai Hotels up HK$10.00 to HK$78.50.

NEW ZEALAND

BANK OF NEW ZEALAND shares yesterday lost 7 cents from Monday's opening price of NZ$1.85 in heavy trade on the New Zealand stock exchange, but held a 3 cent premium over their offer price of NZ$1.75.

The New Zealand market was weaker overall, with the Barclays index 81 lower at 3,186.

Elsewhere, Fletcher Challenge stock lost 28 cents to NZ$5.55, the company having withdrawn its takeover bid for NZ Forest Products. Forest Products was 33 cents lower at NZ$3.55.

SOUTH AFRICA

THE EFFECTS of a further depreciation in the financial rand failed to offset the dip in the bullion price to leave Johannesburg gold shares weaker overall in moderate trade.

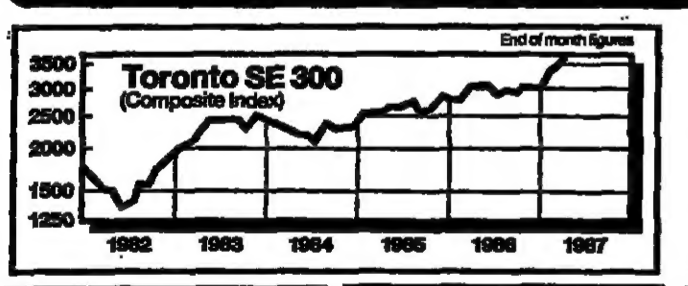
Most heavyweight gold shares suffered, with Randfontein R2 down at R438 and Vaal Reefs also R2 lower at R391.

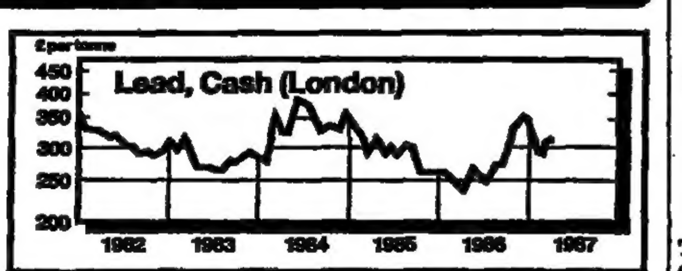
Other mining shares also eased, with diamond stock De Beers 50 cents down at R39.50. Platinum Impala, however, firmed R1 to R49 and manganese producer Samanco added 20 cents to close at R8, against the trend.

Mining houses also gave up ground, Gencor by 25 cents to R57.50. Anglo American was steady at R69.

Industrials were mixed in featureless trading. Sector leader Barlow Rand was unchanged at R22.50.

KEY MARKET MONITORS





STOCK MARKET INDICES

	April 1	Previous	Year ago
NEW YORK			
DJ Industrials	2,298.02*	2,298.15	1,790.11
DJ Transport	920.81*	916.30	613.05
DJ Utilities	209.70*	211.94	191.32
S&P Comp.	290.30*	289.63	235.14
LONDON FT			
Ord	1,558.0	1,577.1	1,425.9
SE 100	1,973.1	1,997.6	1,684.0
A All-share	988.79	1,000.04	812.12
A 500	1,100.81	1,114.24	892.88
Gold mines	445.5	455.3	290.5
A Long gilt	9.20	9.16	8.0
World Act. Ind (March 31)	$122.79	$122.54	$87.08
TOKYO			
Nikkei	22,040.18	21,566.2	15,745.9
Tokyo SE	1,902.24	1,871.19	1,260.13
AUSTRALIA			
All Ord.	1,691.1	1,689.9	1,131.5
Metals & Mins.	915.2	908.0	567.4
AUSTRIA			
Credit Aktien	196.20	197.42	231.28
BELGIAN SE	4,360.49	4,323.17	3,549.89
CANADA			
Toronto			
Met.& Mins.	2,571.4*	2,581.3	2,290.0
Composite	3,735.2*	3,724.7	3,028.7
Montreal			
Portfolio	1,839.78*	1,836.82	1,570.84
DENMARK SE	–	199.10	243.50
FRANCE			
CAC Gen	454.40	458.70	303.0
Ind. Tendance	114.50	113.90	88.7
WEST GERMANY			
FAZ-Aktien	n/a	586.99	695.44
Commerzbank	1,832.00	1,780.00	2,107.1
HONG KONG Hang Seng	2,695.91	2,713.81	(c)
ITALY Banca Comm.	719.89	710.08	732.85
NETHERLANDS ANP CBS			
Gen	279.50	277.80	287.2
Ind	254.90	252.90	253.6
NORWAY Oslo SE	–	411.40	358.08
SINGAPORE Straits Times	1,043.90	1,056.77	584.27
SOUTH AFRICA JSE			
Golds	–	1,992.0	1,186.7
Industrials	–	1,740.0	1,149.4
SPAIN Madrid SE	228.91	225.29	182.56
SWEDEN J & P	2,522.20	2,533.58	2,102.28
SWITZERLAND Swiss Bank Ind	588.90	589.10	593.8

COMMODITIES (London)

	April 1	Prev
Silver (spot)	380.20p	383.20p
Copper (cash)	£927.00	£949.50
Coffee (July)	£1,242.00	£1,273.00
Oil (Brent)	$18.35	$18.45

GOLD ($/oz)

	April 1	Prev
London	$419.25	$419.50
Zürich	$419.15	$419.50
Paris (fixing)	$418.81	$418.98
Luxembourg	$418.85	$419.35
New York (June)	$423.9*	$425.8

CURRENCIES (London)

	US DOLLAR April 1	US DOLLAR Previous	STERLING April 1	STERLING Previous
$	–	–	1.6050	1.6080
DM	1.8205	1.8065	2.9225	2.90
Yen	146.75	146.00	235.5	234.25
FFr	6.0575	6.0125	9.7225	9.65
SFr	1.5215	1.5095	2.4425	2.4225
Fl	2.0540	2.0395	3.295	3.2725
Lira	1,298.5	1,298.0	2,080.75	2,087.0
BFr	37.85	37.40	60.45	60.05
C$	1.3080	1.3055	2.100	2.0985

INTEREST RATES

	April 1	Prev
Euro-currencies (3-month offered rate)		
£	9 11/16	9 11/16
SFr	3⅝	3⅝
DM	4	4
FFr	8⅛	8⅛
FT London Interbank fixing (offered rate)		
3-month US$	6 11/16	6 11/16
6-month US$	6¾	6 11/16
US Fed Funds	6 5/16*	6¼
US 3-month CDs	6.25*	6.475
US 3-month T-bills	5.645*	5.79

FINANCIAL FUTURES

	Latest	High	Low	Prev
CHICAGO				
US Treasury Bonds (CBT) 8% 32nds of 100%				
June	97-21	98-03	97-14	98-15
US Treasury Bills (IMM) $1m points of 100%				
June	94.23	94.26	94.16	94.31
Certificates of Deposit (IMM) $1m points of 100%				
June	–	–	–	93.70
LONDON				
Three-month Eurodollar $1m points of 100%				
June	93.25	93.28	93.22	93.31
20-year Notional Gilt £50,000 32nds of 100%				
June	122-30	124-00	124-00	123-19

US BONDS

Treasury	March 30 Price	Yield	Prev Price	Yield
6⅝ 1990	99 [illegible]	6.646	99 [illegible]	6.56
7 1994	97 [illegible]	7.387	98 [illegible]	7.338
7¼ 1996	97 [illegible]	7.585	98	7.542
7¼ 2016	95 [illegible]	7.803	95 [illegible]	7.853

Source: Harris Trust Savings Bank

Treasury Index April 1 Maturity (years)	Return index	Day's change	Yield	Day's change
1–30	183.17	+0.23	6.93	−0.03
1–10	154.63	+0.12	6.66	−0.03
1–3	144.08	+0.07	6.37	−0.03
3–5	157.57	+0.17	6.71	−0.03
15–30	193.56	+0.59	7.78	−0.03

Source: Merrill Lynch

Corporate	April 1 Price	Yield	Prev Price	Yield
AT&T 3⅞ July 1990	93.63	6.0	93.83	6.0
SCBT South Central 10⅛ Jan 1993	104.625	9.83	104.75	9.81
Phibro Sal 8 April 1996	98.125	8.30	98.0	8.32
TRW 8⅜ March 1996	102.125	8.40	102.0	8.42
Arco 9⅜ March 2016	111.75	8.75	110.625	8.86
General Motors 8⅜ April 2016	91.625	8.94	91.50	8.95
Citicorp 9⅜ March 2016	100.125	9.36	100.0	9.38

Source: Salomon Brothers

* Latest available figures

UK airport campaign launched

By Richard Tomkins in London

THE BRITISH Government yesterday launched the publicity campaign for the privatisation of BAA (formerly the British Airports Authority) with advertisements in national newspapers and the opening of a share information office.

The flotation is scheduled for June or July and is expected to value BAA at about £1bn ($1.6bn). It will follow soon after the privatisation of Rolls-Royce, the aero-engine maker, which is due to be floated in the next few weeks.

BAA's share offer seems likely to be aimed at further widening share ownership.

Leaflets from the share information office show that incentives will be on offer to encourage small investors.

The maximum number of shares will be set at a level which will allow large numbers of people to buy, and individuals will receive free bonus shares if they hold on to their investment for a period to be specified.

BAA will be coming to the market showing a downturn in pre-tax profits for the six months to September last year, from £90m to £89m on a current cost basis and from £112m to £108m on an historic cost basis.

This is partly because of the costs associated with opening Heathrow's Terminal 4 and partly because of a fall-off in US traffic.

BAA owns and operates seven airports in the UK.

South Korea starts OTC trading

BY MAGGIE FORD IN SEOUL

SOUTH KOREAN investors yesterday had their first opportunity to trade in an informal over-the-counter market, the day after the main stock market index broke through the 400 barrier for the first time.

Investor enthusiasm for the main market had been stimulated earlier in the week by news that the government planned to allow shares in the state-owned Pohang Iron and Steel Company (Posco) to be sold on the OTC market.

The main stock market has risen 49 per cent in the first three months of this year, largely because of the high level of liquidity in the economy generated by South Korea's $4.2bn trade surplus last year.

A shortage of stocks in the face of rapidly increasing demand has forced up prices. The index closed 7.03 points down yesterday at 398.1 in light trading, following Tuesday's record volume.

Analysts have been expecting the ministry of finance to act to dampen the market's surge but Mr Chung In-Yong, the Finance Minister, said last week that the government did not believe the market had reached a dangerous point.

Mr Chung added that the government planned to cope with the problem by increasing the supply of shares available for trading. It has already announced plans to sell stakes in 25 publicly owned corporations starting in June.

The offer of shares in Posco in the over the counter market will also provide help to five heavily indebted banks which together own 64 per cent of Posco's shares. The banks, which have substantial non-performing loans on their books mainly to construction and shipping companies, saw their shares rise on the news.

Speculation about the government's plans to open the stock market to foreign investors has boosted investor interest in the Korea Eurofund, launched in London last month.

Shares in the fund issued at £10 ($16) were trading on the London grey market at between £23¼ and £24½, according to the Baring Bros, joint lead managers.

Foreign investors have access to the South Korean stock market only through the funds or through convertible bonds issued by a number of Korean companies. Plans to issue several more convertible bonds this year appear to have been delayed because of the excess liquidity problem.

Further hints about South Korea's plans to open the markets may come later this month after Mr Kim Mahn Je, deputy prime minister and chief economic minister, meets Mr James Baker, the US Treasury Secretary, at the International Monetary Fund interim committee meeting.

[illegible]